

**STATEMENT OF  
COMMISSIONER MICHAEL P. 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.

I support the initiation of this proceeding to consider eliminating the annual payphone tracking system audit requirement and the associated reporting requirement. I also support the related waiver. Like many FCC rules still on the books, this one appears to have outlived its usefulness and it is likely that the costs far outweigh any benefits. Indeed, the record to date suggests that the cost of the audit is higher than the amount paid for payphone compensation.

This issue came to the Commission's attention through waiver petitions filed by impacted carriers and through comments submitted in response to the Commission's 2016 Biennial Review Public Notice. Now that companies have seen that the Commission is committed to clearing regulatory underbrush, I hope that more commenters will step forward with additional ideas – something I have encouraged during my time here. I also look forward to seeing more progress made through the Biennial Review proceeding, which I expect to contain further proposals for appropriate deregulation.

In addition to removing outdated rules from our books, the Commission should also get serious about including sunset provisions in new rules going forward. Such provisions would provide a defined check in point to reflect on whether rules remain necessary in light of the rapid technological and marketplace changes that characterize this sector of the economy. Should the benefits continue to outweigh the costs, they can certainly be retained by an affirmative act of the Commission. However, I expect that in many cases they will be overtaken by such changes. In those instances, sunset provisions enable the Commission to remove the rules without further expenditure of resources by staff or impacted entities.