

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286.

With the expiration of the current separations freeze rapidly approaching, and no consensus by the Federal-State Joint Board on how to pursue longer-term reform, our action today provides critical stability to the shrinking number of rate-of-return carriers subject to the jurisdictional separations rules. Certainly, it makes much more sense to spend the Commission's time and resources on substantive work than on repeated freeze extensions, and that is why I sought a much longer extension. However, I am willing to agree to Commissioner Carr's request for a reduced extension and look forward to his active participation on coming projects. It should be widely-recognized that the need for comprehensive reform has become increasingly irrelevant in view of technological and regulatory obsolescence, and that the separations rules may ultimately become defunct by the time the six-year extension lapses. Therefore, the Joint Board will likely consider certain discrete changes, such as eliminating unnecessary recordkeeping requirements, that would be helpful and achievable in the near-term.

I also appreciate that the State Members of the Joint Board have weighed in by voicing their support for the Commission's plan for a six-year freeze extension and an opt-out opportunity for carriers whose category relationships have been frozen since 2001. As Joint Board Chair, I am committed to working with State Members, and I am grateful that we are on the same page on this item. However, to be clear, the State Members' letter was in no way a necessary precondition for adopting this Report and Order. The Commission has full statutory authority to extend the current separations freeze in the absence of a new Joint Board referral, and the item gives no indication that new precedent has been established otherwise.