

**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

Last year, when the Commission updated its Part 32 accounting rules, it tasked the Federal-State Joint Board on Jurisdictional Separations with examining and recommending “the rule changes necessary to ensure the jurisdictional separations rules are consistent” with the revisions to Part 32.¹ Thanks to the collaborative work of the Joint Board Members and the assistance of Commission staff, the Joint Board released its Recommended Decision in October, more than three months ahead of schedule.

By initiating this Notice, the Commission takes the necessary next step to act on the Joint Board’s recommendation. I hope that the Commission will conclude this proceeding promptly. The rule changes proposed in this document are ministerial in nature and they received the unanimous support of the Joint Board.

On the larger separations front, I am disappointed to note that the Joint Board is unlikely to come to a satisfactory conclusion on its referral to review and consider recommendations pertaining to longer-term reform. Having spent much time interacting with the Joint Board Members, I have come to conclude that the viewpoints are so vastly different on this complex issue that finding commonality is not going to be possible in the near term. I have notified the Chairman of such and recommended that the Commission immediately pursue a longer extension of the current freeze than what has been done in the past (i.e., 15 years). Additionally, I have discussed with the Chairman and the staff within the Wireline Competition Bureau that the Commission, exercising its own authority, consider the pending petitions to allow minor modifications to frozen category relationships, particularly in instances where the relevant states have made no objections to the petitions. Both of these actions would be consistent with the recent record on separations reform. Additionally, absent a Joint Board consensus approach, these two steps would pave the way for market forces, technological changes, and consumer preferences to ultimately resolve longer-term separations issues.

¹ *Comprehensive Review of the Part 32 Uniform System of Accounts, Jurisdictional Separations and Referral to the Federal-State Joint Board*, Report and Order, 32 FCC Rcd 1735, 1749, para. 46 (2017).