



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 14, 2016

The Honorable Dina Titus
U.S. House of Representatives
401 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Titus:

Thank you for your letter regarding the Commission's business data services rulemaking proceeding.

Business data services (BDS), historically known as special access services, are critically important in our connected economy and society, including, as you note, in rural communities. Offices, retailers, banks, manufacturers, schools, hospitals, and universities use these dedicated network connections to move large amounts of data. As you note, consumers use them indirectly every time they withdraw cash from an ATM or swipe their credit card at a retail store. And mobile networks depend heavily on the use of BDS for the backhaul of mobile traffic.

Earlier this year we sought broad public comment on reforming and modernizing the existing, fragmented regulatory BDS structure with a new framework. Last week, I circulated to my fellow Commissioners proposed rules to reform the regulatory regime for BDS to promote fairness, competition, and investment in this important marketplace. The circulated Order provides a new framework that strikes a balance between targeted regulation for legacy services, where evidence of market power is strongest, and lighter-touch regulation for packet-based services, where, as you note in your letter, there has been new entry and competition may be emerging.

With respect to your concern regarding the BDS data collection, I share your interest in ensuring an accurate dataset. While some parties have expressed concern about potential shortcomings in the data collected, this collection represents the most robust dataset available to date on the suppliers and purchasers in the BDS industry. The proposed Order is grounded in the comprehensive record of this proceeding, including careful review of the sophisticated economic analyses presented by multiple parties as well as other record evidence, including developments since the 2013 data collection.

I appreciate your interest in this matter. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", written over a horizontal line.

Tom Wheeler