

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: Business Data Services in an Internet Protocol Environment, WC Docket No. 16-143; Technology Transitions, GN Docket No. 13-5; Special Access for Price Cap Local Exchange Carriers, WC Docket No. 05-25; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, RM-10593

I commend the Chairman for bringing the long-pending special access proceeding to a close, providing finality for impacted businesses and their customers. As someone who has participated in the never-ending special access debate on and off for over a decade and watched as competition developed during that period, it is appropriate for the Commission to recognize that the time has come to step back and let the market further develop absent heavy-handed regulation.

Consider the fact that in 2013 there were close to 500 facilities-based companies, including cable companies and other competitive alternatives, providing business data services in the enterprise market (although admittedly not in each market). At the same time, customers have been shifting from incumbent LECs' legacy DS1 and DS3 offerings to more competitive and higher bandwidth packet-based services. As a result of these technological and marketplace changes, any lingering dominance by some incumbent LECs has been rapidly coming to an end.

While some business customers continue to rely on low-bandwidth services and a few markets are not immediately competitive, it would be counterproductive to maintain intrusive pricing regulation that can deter the deployment of new services. Instead, the better response is to include a reasonable transition to provide market participants and their customers time to adjust their plans and to enable competition to expand even further. Accordingly, I supported changes to the circulated draft, including providing a six-month transition for newly deregulated areas.

I recognize that a transition, by itself and of this duration, will not satisfy everyone in this proceeding, and I too would have done some things differently. I am still not convinced that the Commission can reverse forbearance. While the Commission may have some leeway to clarify the scope of forbearance that has been deemed granted, reversing a duly adopted forbearance order could set dangerous precedent and lead to inappropriate reregulation under a future Commission. In addition, I continue to hear complaints about the quality of Form 477 data, which is why we have had to institute challenge processes in multiple proceedings. I hope that the Commission will address this recurring issue in the near future.

Overall, however, this order represents another positive and welcome step to eliminate unnecessary regulation. Prior Commission staff viewed technology transitions as something to be feared and micromanaged. I appreciate that this Commission is taking a different approach, embracing technological and marketplace changes as an opportunity for deregulation that will fuel further investment and innovation. I approve this Order.