



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU RELEASES ADDITIONAL PEER REVIEW MATERIALS IN BUSINESS DATA SERVICES (SPECIAL ACCESS) RULEMAKING PROCEEDING

WC Docket Nos. 16-143, 15-247, and 05-25; RM-10593

The Federal Communications Commission (Commission) released a Tariff Investigation Order and Further Notice of Proposed Rulemaking on May 2, 2016 in the business data services proceeding that included a white paper by Professor Marc Rysman, entitled “Empirics of Business Data Services” (Rysman Paper).¹ In accordance with the Office of Management and Budget (OMB) peer review guidelines, the Commission engaged outside experts to peer review the Rysman Paper.² On June 28, 2016, the Commission submitted into the record materials related to the peer review, including charge memoranda, peer review reports, a revised Rysman Paper, and a Commission staff memorandum.³

Consistent with Office of Management and Budget (OMB) peer review guidelines,⁴ the Commission initiated an external peer review of the Rysman Paper, seeking the analysis of Andrew Sweeting, Associate Professor of Economics, University of Maryland, and Tommaso Valletti, Professor of Economics, Imperial College London.⁵ The Commission subsequently received written peer review

¹ See *Business Data Services in an Internet Protocol Environment; Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans; Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, WC Docket Nos. 16-143, 15-247, 05-25, RM-10593, Tariff Investigation Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 47234919, Appx. B, Dr. Marc Rysman, *Empirics of Business Data Services* (Apr. 2016) (Rysman Paper) (2016).

² See *id.* at 4792-95, para. 164; Final Information Quality Bulletin for Peer Review, OMB, Executive Office of the President, 70 Fed. Reg. 2664 (Jan. 14, 2005) (requiring that influential scientific information on which a federal agency relies in a rulemaking proceeding be subject to peer review to enhance the quality and credibility of the government’s scientific information).

³ Letter from William Layton, Assistant Division Chief, Pricing Policy Division, Wireline Competition Bureau (WCB), FCC, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 16-143, 15-247, 05-25, RM-10593 (dated June 28, 2016). The Commission added a corrected Attachment 3 to the Commission staff memorandum to the record on July 8, 2016. See Letter from Deena M. Shetler, Associate Bureau Chief, WCB, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 16-143, 15-247, 05-25, RM-10593 (dated July 8, 2016).

⁴ Final Information Quality Bulletin for Peer Review, Office of Management and Budget, Executive Office of the President, 70 Fed. Reg. 2664 (Jan. 14, 2005) (requiring that influential scientific information on which a federal agency relies in a rulemaking proceeding be subject to peer review to enhance the quality and credibility of the government’s scientific information).

⁵ See Memorandum from Mathew S. DelNero, Chief, Wireline Competition Bureau, to Andrew Sweeting, Associate Professor, University of Maryland (Apr. 14, 2016), <https://www.fcc.gov/peer-review-business-data-services-industry-white-paper>; Memorandum from Mathew S. DelNero, Chief, Wireline Competition Bureau, to Tommaso Valletti, Associate Professor, University of Maryland (Apr. 14, 2016).

reports from Professors Sweeting and Valletti analyzing the Rysman Paper.⁶ On June 28, 2016, the Commission released a revised Rysman Paper and a memorandum prepared by the Commission staff responding to the peer review feedback (FCC Staff Memorandum).⁷

After reviewing the FCC Staff Memorandum, Dr. Sweeting suggested estimating cluster-robust standard errors using a geographic area larger than the census block.⁸ Today, the Wireline Competition Bureau releases a revised FCC Staff Memorandum, which addresses Dr. Sweeting's further suggestion by estimating the cluster-robust standard errors at the census tract and county levels. This revised FCC Staff Memorandum will be made publically available on the Commission's Peer Review Agenda webpage.⁹

For further information, please contact Christopher Koves, Pricing Policy Division, Wireline Competition Bureau, at (202) 418-8209 or via email at Christopher.Koves@fcc.gov.

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⁶ Andrew Sweeting, Associate Professor, University of Maryland, College Park, "Review of Dr. Rysman's 'Empirics of Business Data Services' White Paper (Apr. 16, 2016), <https://www.fcc.gov/peer-review-business-data-services-industry-white-paper>; Letter from Tommaso Valletti, Professor of Economics, Imperial College London, to Matthew DelNero, Chief, Wireline Competition Bureau (dated Apr. 28, 2016), <https://www.fcc.gov/peer-review-business-data-services-industry-white-paper>.

⁷ See *Wireline Competition Bureau Releases Peer Review Materials in Business Data Services (Special Access) Rulemaking Proceeding*, WC Docket Nos. 16-143, 15-247, and 05-25 and RM-10593, Public Notice, DA 16-728 (WCB June 28, 2016); see also *Wireline Competition Bureau Updates Staff Regression Analysis From Peer Review of Empirics of Business Data Services White Paper*, WC Docket Nos. 16-143, 15-247, and 05-25 and RM-10593, Public Notice, DA 16-788 (WCB July 8, 2016) (updating certain tables in the FCC Staff Memorandum as well as portions of the text describing the results).

⁸ Letter from Andrew Sweeting, Associate Professor, University of Maryland, College Park, to Matthew DelNero, Chief, Wireline Competition Bureau (dated July 13, 2016), <https://www.fcc.gov/peer-review-business-data-services-industry-white-paper>.

⁹ Peer Review of Business Data Services Industry White Paper, <https://www.fcc.gov/peer-review-business-data-services-industry-white-paper>.