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For Immediate Release

**FCC SEEKS COMMENT ON FRAMEWORK TO ADVANCE
COMPETITION IN THE BUSINESS DATA SERVICES MARKET**

WASHINGTON, April 28, 2016 – Today, the Federal Communications Commission jumpstarted the process of protecting and advancing competition in the \$45 billion market for business data services, also known as special access.

Business data services are critical in the day-to-day life of consumers, business and industry, and are integral to the competitiveness of the U.S. economy as a whole in the information age. Users include banks and retailers connecting ATM machines and credit card readers, government and corporate users connecting branch offices and data centers, and mobile phone providers offloading calls and data from wireless networks – a need that will grow exponentially with the deployment of advanced 5G wireless service.

Yet data collected by the FCC shows that competition in this essential market is uneven, and that the FCC’s existing rules have failed to identify markets where competition is lacking, even as they have failed to identify competitive markets.

The item adopted by the Commission today seeks broad public comment on reforming and modernizing its rules based on four principles:

- Competition is best, but where competition does not exist, market conditions must not be allowed to stifle the ability of business customers to innovate and compete
- Technological neutrality should be at the core of any new regulatory framework
- Policies should remove barriers to the transition to new technologies
- Rules should be crafted to meet the needs of both today’s and tomorrow’s marketplace.

The item includes an Order resolving an investigation of existing special access tariffs filed by four major telecommunications companies, known as incumbent local exchange carriers or ILECs: AT&T, Verizon, CenturyLink and Frontier. The Order finds that certain terms and conditions of these tariffs were unjust and unreasonable, and had the effect of decreasing facilities-based competition and inhibiting the transition to new technologies. These companies will be required to withdraw the illegal terms of these tariffs and file new tariffs within 60 days of release of the Order.

A Further Notice of Proposed Rulemaking seeks to replace the existing, fragmented and outdated rules with a new technology-neutral framework that classifies markets as either non-competitive or as competitive. Where competition is lacking, the Further Notice asks about the specific rules

necessary to advance it. The Further Notice also:

- Begins by surveying current marketplace conditions, including the location of current infrastructure and the data suggesting in which places and products and for which customers competition is more likely present and for which it is more likely to be not present. Based on this analysis, the Commission proposes to identify competitive markets as those in which material competitive effects are present;
- Identifies and seeks comment on a set of de-regulatory measures in competitive markets, maintaining minimal oversight to ensure that the provision of telecommunications services is just and reasonable;
- Seeks comment on requiring that companies be free from non-disclosure agreements that would prevent them from providing information to the Commission;
- Identifies and seeks comment on a tailored set of rules to safeguard customers in non-competitive markets, including the use of price regulation and the prohibition of certain tying arrangements that harm competition;
- Seeks comment on the appropriate treatment under this framework of the three types of contractual terms identified in the Tariff Investigation Order, as well as other contractual terms and conditions that have been subject to public comment;
- Seeks comment on a proposal that tariffs should not be used in the future as part of the regulation of broadband data service in either competitive or non-competitive markets;
- Seeks comment on a proposed future periodic data collection of a kind that will allow the Commission to update periodically its identification of competitive and non-competitive markets; and
- In order that the new regulatory framework be applied in a technology-neutral manner, seeks comment on a proposal to eliminate the current exemption for certain Verizon services from the basic provisions of the Act governing just and reasonable offerings of telecommunications services.

The Further Notice emphasizes that the Commission intends to listen and to learn from the comments it receives before it reaches final decisions.

Action by the Commission April 28, 2016 by Tariff Investigation Order and a Further Notice of Proposed Rulemaking (FCC 16-54). Chairman Wheeler, Commissioners Clyburn and Rosenworcel approving. Commissioners Pai and O’Rielly dissenting. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O’Rielly issuing separate statements.

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