

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *Business Data Services in an Internet Protocol Environment*, WC Docket No 16-143;
*Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff
Pricing Plans*, WC Docket No. 15-247; *Special Access for Price Cap Local Exchange Carriers*,
WC Docket No 05-25; *AT&T Corporation Petition for Rulemaking to Reform Regulations of
Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, RM-10593.

I have made plain – again and again – the importance of competition. Competition means that consumers are better off; that our economy gets stronger and – very importantly – that government can take a backseat to the marketplace. I have made equally plain that, where competition does not exist, then government has a job to do – protecting consumers and competition.

Today, we take an important step towards getting the Commission’s regulatory policies to match the dynamic of today’s marketplace...in order to support competition.

Business data services, historically known as special access, are little known but hugely important in our connected economy and society. Here’s one example: Wireless networks need one form of business data services, commonly known as backhaul. After all, a wireless network is mostly wired. Every cell tower needs backhaul to pass along a mobile communication to its intended destination. No backhaul – no phone call, text or web surfing from your mobile device.

So access to competitive backhaul is important to the buildout of wireless networks, to investment in wireless networks and to the creation of 5G – the next step in wireless innovation. And that’s why we’ve heard from the great swath of the wireless industry – the joint letter from Verizon and Incompas offering a proposed regulatory framework and then Sprint, T-Mobile, U.S. Cellular, and the Competitive Carriers Association urging “the Commission to adopt policies to ensure reasonable access to high capacity Business Data Services.”

The fact is – our current approach is badly, badly out of date. In fact, our ways of measuring BDS competition are so old-fashioned that the Commission actually stopped using its own test – four years ago. Four years have gone by and the marketplace is changing. For example, new entry by cable companies is bringing more competition – and that’s an outcome that needs to be encouraged.

So it’s time to act. Today’s FNPRM asks the right questions: Where is there competition and where is there not competition? What should the Commission do when facing the fact of noncompetitive markets? How can we best de-regulate in competitive markets? How can we do away with forms of governmental action, like mandatory tariffing, that I believe have outlived their usefulness? And, of course, how can we make sure that, in the future, a new regulatory framework does not become quickly obsolete?

We don’t yet know the answers, but we know the principles that will guide our inquiries:

First, competition is the best way to ensure consumers benefit.

Second, the new framework should be technology-neutral.

Third, Commission actions should encourage the transitions to an IP world.

Fourth, regulation should be constructed to meet today's marketplace – and tomorrow's.

Let me finish by thanking both Commissioner Clyburn and Commissioner Rosenworcel for their suggestions, which have improved the item. We ask more and better questions and we make plain what we think – and what we need to know.

When I look at the table in front of us, I see a lot of people with a lot of work to do. And expeditiously. My goal is that the Commission conclude this proceeding no later than the end of the year. With a determined effort, we can and will adopt a business data services reform Order in 2016.