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DINA TITUS  
MEMBER OF CONGRESS  
1ST DISTRICT NEVADA

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.

COMMITTEE ON  
TRANSPORTATION &  
INFRASTRUCTURE  
  
COMMITTEE ON  
VETERANS' AFFAIRS

August 8, 2016

The Honorable Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> St. SW  
Washington, D.C. 20554

Dear Chairman Wheeler and Commissioners of the FCC:

I write to share my thoughts about the FCC's Further Notice of Proposed Rulemaking (FNPRM) on business data services.

Millions of consumers depend on business data services (BDS) in their daily lives: when they withdraw cash from an ATM machine, visit a major retailer, use their smartphones, or start their workday online. It is an essential service, particularly for rural communities that rely on a broadband connection to support their businesses and stay connected.

As the Commission approaches this rulemaking proceeding, it must strike a balance between ensuring businesses have access to a multitude of carriers and competitive prices for BDS and preserving incentives for continued network investment. The Commission must encourage competition by cable providers, competitive exchange carriers, wireless backhaul providers, and other new entrants whose investments can ultimately limit the places where continued regulation is necessary.

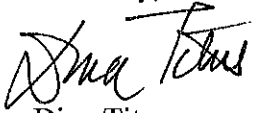
I have concerns, however, that such proposals to change regulation of the BDS market do not accurately recognize the current extent of competition in the business data services market. Nearly 500 companies reported providing business data services across the country in the 2013 data collection. The BDS market has grown exponentially, even in the last several years since the FCC's industry data collection in 2013. Cable companies have invested more in fiber facilities and electronics for delivery of high speed data and voice services and have deployed fiber connections to new locations.

In his peer review of the white paper used as the basis for the proposed regulations, Professor Andrew Sweeting states that "partly because of the limitations of the data available, the results should be interpreted with some caution (as Dr. Rysman himself suggests in his conclusions), as it is possible that he is either under or overestimating the magnitude of market power."

When there is demonstrated market failure, rate regulation can be an important and useful consumer protection tool. In the context of BDS services, however, I do not believe this is necessarily the case. I respectfully request that the Commission not rush into changes to BDS regulation in areas where competition is already working to moderate the market.

I hope that the FCC will consider alternatives that will simultaneously encourage economic development and benefit consumers in my state. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dina Titus", written in a cursive style.

Dina Titus

Member of Congress