



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 17, 2016

The Honorable Gene Green
U.S. House of Representatives
2470 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Green:

Thank you for your letter regarding the Commission's business data services rulemaking proceeding.

Business data services (BDS), historically known as special access services, are critically important in our connected economy and society. Offices, retailers, banks, manufacturers, schools, hospitals, and universities use these dedicated network connections to move large amounts of data. As you note, consumers use them indirectly every time they withdraw cash from an ATM or swipe their credit card at a retail store. And mobile networks depend heavily on the use of BDS for the backhaul of mobile traffic.

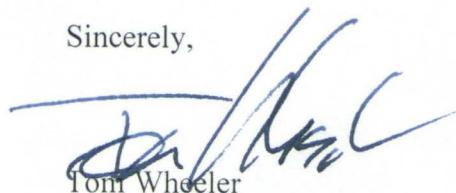
Earlier this year we sought broad public comment on reforming and modernizing the existing, fragmented regulatory BDS structure with a new framework. Recently, I circulated to my fellow Commissioners proposed rules to reform the regulatory regime for BDS to promote fairness, competition, and investment in this important marketplace. The circulated Order provides a new framework that strikes a balance between targeted regulation for legacy services, where evidence of market power is strongest, and lighter-touch regulation for packet-based services, where, as you note in your letter, there has been new entry and competition may be emerging.

With respect to your concern regarding the BDS data collection, I share your interest in ensuring an accurate dataset, including data submitted by major cable operators. In the BDS Further Notice of Proposed Rulemaking adopted earlier this year, the Commission emphasized that it sees the entry of cable operators into the BDS marketplace as a very positive development and an important factor to be considered in any final rules. While some parties have expressed concern about potential shortcomings in the data collected, this collection represents the most robust dataset available to date on the suppliers and purchasers in the BDS industry. The proposed Order is grounded in the comprehensive record of this proceeding, including careful review of the sophisticated economic analyses presented by multiple parties as well as other record evidence, including developments since the 2013 data collection.

Page 2—The Honorable Gene Green

I appreciate your interest in this matter. Your views will be included in the record of the proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized flourish extending from the end.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 17, 2016

The Honorable Bill Flores
U.S. House of Representatives
1030 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Flores:

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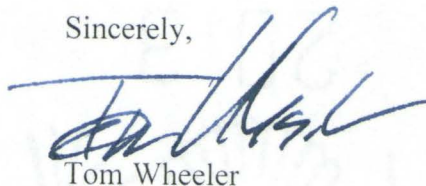
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Tom Wheeler

