

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

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.

At the core of a successful community, is a vibrant and growing business sector. Be it a large multinational corporation in need of dedicated high capacity circuits or a small local business seeking to run a handful of ATMs, they both have one thing in common: the need for dedicated wireline circuits for connectivity. These services also support public safety operations, schools and health care facilities all of which underscore the importance of reliable, robust services.

Business circuits are also a necessary input for mobile broadband service as these networks are only wireless until they hit the cell tower at which point they become reliant on wireline backhaul. A fast wireless network needs high capacity wireline connectivity when it reaches that tower. If such facilities are not in place, service could slow as soon as it reaches those backhaul facilities. And if rates for backhaul connectivity are unreasonable, providers must either pay more or offer consumers slower speeds. Either way consumers and their communities are disadvantaged. This is why we need to ensure that special access, which the Chairman has renamed Business Data Services, are both available and reasonably priced.

It should come as no surprise that our comprehensive data collection shows that where competitive pressures exist in the special access market, prices are reduced. But what is less clear, is the number of providers necessary for this to happen, and the appropriate geographic and product markets. These are all issues where I believe further stakeholder engagement is needed.

While I wish we lived in a marketplace nirvana, where competitive options are omnipresent, the reality is this does not exist. In areas that are non-competitive, I believe it is appropriate to have a simple regulatory backstop to ensure that the rates, terms and conditions for services are just and reasonable.

Agreeing on these principles is the easy part. Implementation is more challenging. We need a framework that minimizes regulation when market forces are sufficient to discipline prices but we must also have a simple and easy to administer regulatory backstop in places where competitive forces are lacking.

Make no mistake, I greatly appreciate the significant work the Bureau has put into this item, as well as the Chairman's willingness to accommodate my many, many edits. At the same time, I must confess to being concerned about the complexity of some aspects of the *Further Notice*, and how feasible it will be for the agency as well as for the entities that provision the facilities and providers that purchase these services to administer. We need to ensure that reforms are targeted and while being technology neutral is beneficial, reforms must take into account the nature of the market.

The Chairman agreed to make the item more neutral by, for example, moving away from a tentative conclusion that 50 Mbps is the appropriate metric for presuming whether a market is competitive or not, asking about the implications and feasibility of administering the reforms, and seeking comment about alternative frameworks so that we can develop a complete record which enables all parties to have the opportunity to make their best case. I must thank him for that. I also appreciate his willingness to ensure parties have sufficient time to analyze the proposals and comment.

And while a robust record is always beneficial, I believe an ideal outcome is one in which the industry comes together and proposes a solution that ensures the policy goals are realized. I know this is possible because we have seen it take place in the legacy wireline space -- from CALLS and, more recently, to the 2011 reform of intercarrier compensation and universal service -- which resulted in wins for the agency and stakeholders.

So, I support today's item, not only because we have been working for years to arrive at this point, but because we are asking how to develop a new, modern framework to govern Business Data Services. From my perspective, all options are on the table and I hope that the ultimate result will be a framework that is simple, targeted and easy to administer. In addition, I am in support of common-sense fixes in the Tariff Investigation Order that will prevent unreasonable practices that may inhibit providers from moving to IP services.

I am grateful to the dedicated and hard-working team from the Wireline Competition Bureau. You have maintained your focus and sense of purpose as you collected and analyzed an incredible amount of data. You built a tremendous record in this complex and incredibly important proceeding and, for that and more, I thank you.