

Commissioner Jessica Rosenworcel
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

3 October 2016

Dear Commissioner Rosenworcel

I am writing to you about Business Data Services, an issue that, as you know, has been of strong importance to BT for many years. I made a brief stop through Washington last week and received an update on the status of the BDS proceeding. I am sorry that I was not able to meet with you, but I wanted to take the opportunity to reiterate our summary views now as I gather the process is nearing a key point.

BDS is a major issue for BT Americas and its affiliates (“BT”). It is central to our ability and that of others to operate in the US and to compete on a level playing field. This is not just about BT though and its ability to compete. As you know, the UK has rules in place in the same market area that has resulted in increased competition, innovation, and investment throughout the telecommunications and internet ecosystem. In fact, a study we commissioned demonstrated that the rigour with which regulators apply responsible regulation to enduring bottleneck business access services correlates to better outcomes for consumers and has a net beneficial effect on economic growth.¹ Reform of BDS would instill much needed competition in the US market, benefiting anchor institutions like schools, libraries and hospitals that require competitive BDS options, and indeed competitive Ethernet services, to serve their communities. Likewise, addressing bottlenecks in the BDS market via effective regulation will be critical to the deployment of 5G wireless technology and more efficient B2B services, as well as benefitting start-ups that need competitive BDS to succeed, create jobs and contribute to economic growth.

We are pleased by the progress we have seen in recent years during the extensive FCC review, and appreciate the great amount of work that went into collecting and analyzing the very substantial data set upon which rules will be based. We hope to see the issue finally resolved at the October open meeting. We think this would bring great benefits to the US economy and much needed certainty to business.

¹ This study was submitted into the record in this proceeding on February 19, 2016 with BT’s Reply Comments.

We are very grateful for your efforts so far.

I would very much like to speak with you on the phone and if you are agreeable will ask our office in Washington DC to set something up with your office. Meanwhile, if you have any questions or would like to hear more on BT's perspective, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sir Michael Rake". The signature is written in a cursive style with a large, prominent initial "M".

Sir Michael Rake
Chairman, BT Group plc

cc: Travis Litman