



A Voice for Virginia's
Working Families

VIRGINIA AFL-CIO

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DORIS CROUSE-MAYS, *President* ♦ LORNE H. SEAY, *Secretary-Treasurer*



September 16, 2016

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Commissioner Wheeler:

The Virginia AFL-CIO represents more than 100,000 workers throughout Virginia, including nearly 12,000 members of the Communications Workers of America and the International Brotherhood of Electrical Workers. These hardworking people play a key role in not only building, but servicing the networks over which incumbent carriers provide business data services. The FCC's May 2 Further Notice of Proposed Rulemaking (FNPRM) on business data services, also known as "special access," has serious implications on our economy, jobs, and investments; particularly in rural Virginia. Rural communities especially rely on a broadband connection to support their businesses and stay connected.

We need to set about building our economy, not creating roadblocks for investment in high-speed data networks. If you live in rural Virginia, it is a given that you face higher costs with lower density and fewer business customers. If you truly want to make rural broadband deployment a top priority, this is not the approach to take. The current proposal would reduce the incentive for incumbents and competitors both to invest in fiber.

This proposal would negatively impact jobs and our valued telecommunications and electrical workers' standards of living who provide a skilled workforce with collective bargained good wages and benefits. I would hope that regulatory policy would not benefit one company over another or destroy solid middle class jobs. However, this proposal would do just that; by mandating unionized incumbent carriers to subsidize the input cost of low-wage, non-union competitive providers and wireless carriers.

As the Commission prepares to draft rules for future years, its economic analysis apparently leaves out most of the data from one of the major BDS competitors. Earlier this year, the largest cable operators (and BDS competitors) revised their 2013 data filings to show that the actual figures for cable Ethernet (BDS) availability could be 22 times larger than the number the Commission has been working with for its FNPRM. These new data are more than a rounding error. It means the Commission's economic study failed to consider the presence of a major new competitor in thousands of census blocks where cable operators indicate they have been Ethernet-capable since 2013 and have many BDS customers today.

The fair and defensible method must use the same methodology to measure all competitors from all industry sectors. BDS rules must be data-driven, allowing for competition in the marketplace. All providers must be counted. For this reason, I hope you will direct Commission staff to revise the economic analysis of the 2013 data to incorporate the revised cable coverage, count competitors the same way, and give parties in the BDS proceeding an opportunity to comment on it before moving to a final rule. This is the only fair way, which will result in the continuation of good jobs, investment and growth for the future.

Sincerely,

A handwritten signature in black ink that reads "Doris Crouse-Mays". The signature is written in a cursive, flowing style.

Doris Crouse-Mays
President

CC: Commissioner Jessica Rosenworcel
Commissioner Mignon Clyburn
Commissioner Ajit Pai
Commissioner Michael O'Rielly