



September 15, 2016

Hon. Mignon Clyburn
Federal Communications Commission
455 Twelfth Street, SW
Washington, DC 20554

Hon. Jessica Rosenworcel
Federal Communications Commission
455 Twelfth Street, SW
Washington, DC 20554

Dear Commissioners Clyburn and Rosenworcel:

I am writing to share my thoughts about the FCC's May 2 Further Notice of Proposed Rulemaking (FNPRM) on business data services, also known as "special access." Broadband internet is critically important for Genesee County, a rural county situated between the Buffalo and Rochester metropolitan areas in Upstate New York. As the president and CEO of the new business marketing and development entity for Genesee County, I know that our slow, and often unreliable, internet service negatively impacts economic development and our quality of life. I am concerned that the FCC's current approach will exacerbate the problem and delay the deployment of high speed internet in our region.

Recently, New York State Senator Charles Schumer announced that there are thousands of "dead zones" across New York State where cellular service is either spotty or non-existent. Surely, many of those areas are in the rural communities of Upstate New York, places with inadequate fiber backhaul. Senator Schumer's revelation comes on the heels of Governor Andrew Cuomo's announcement that all New Yorkers will have access to high-speed broadband by the end of 2018. If the FCC does not alter its course on the FNPRM I fear that Governor Cuomo's initiative may never come to fruition, and that Senator Schumer will be making similar proclamations for years to come.

As it approaches this proceeding, the Commission must strike a balance between competing imperatives. For one, 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. And in non-competitive markets, the Commission must accurately establish a fair price for such services while preserving incentives for continued robust network investment and appropriately weighing the higher costs to reach rural communities.

Unfortunately, the economic analysis the FCC is relying upon to make market determinations is flawed. The data underestimates competitive markets by a factor of 22 and this could lead to unnecessary rate regulations. Rate regulation in competitive markets will slow the pace at which companies can made additional invests in rural communities. 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. Especially if these steps are pursued expeditiously, I see this as the fastest and most appropriate path to completing a BDS proceeding.

Genesee County Economic Development Center

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Sincerely,

A handwritten signature in black ink, appearing to read "S.G. Hyde". The signature is fluid and cursive, with a horizontal line underlining the first part of the name.

Steve Hyde, President and CEO
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