

April 22, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Special Access for Price Cap Local Exchange Carriers, WC Docket No. 05-25;
AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local
Exchange Carrier Rates for Interstate Special Access Services, RM-10593

Dear Ms. Dortch:

On April 21, 2016, the undersigned spoke via telephone with Stephanie Weiner, Senior Legal Advisor to Chairman Wheeler, and separately, with Travis Litman, Senior Legal Advisor from Commissioner Rosenworcel, with regard to the above captioned proceedings.

I urged the Federal Communications Commission (“Commission”) to proceed quickly to adopt the business data service (“BDS”) Further Notice of Proposed Rulemaking and to adopt a final Order in 2016. I explained that Public Knowledge looks forward to working with the Commission and other stakeholders to ensure that the new BDS regime provides a platform for robust BDS competition that benefits consumers and business customers.

The BDS proceeding was initiated in 2005, and for more than a decade, competition has languished in the BDS market and enterprise customers and consumers have borne the cost of the market power exercised by the dominant BDS providers. In fact, the Consumer Federation of America recently found that overcharges and abusive pricing in the BDS market totaled approximately \$75 billion over the past five years, and have indirectly cost American consumers over \$150 billion since 2010.¹ The Commission should move quickly to reduce this immense burden on American businesses, consumers, and the broader economy.

Additionally, as Chairman Wheeler and America’s leading competitive wireless companies have stated, next generation wireless networks, which will require cell densification, are reliant on BDS.² Without a healthy BDS market, America’s mobile future is at risk.

I also explained that Public Knowledge supports the framework for BDS regulation proposed by INCOMPAS and Verizon.³ Specifically, we support a model that permits the

¹ MARK COOPER, CONSUMER FEDERATION OF AMERICA, THE SPECIAL PROBLEM OF SPECIAL ACCESS: CONSUMER OVERCHARGES AND TELEPHONE COMPANY EXCESSIVE PROFITS 33-35 (2016), *available at* <http://consumerfed.org/wp-content/uploads/2016/04/4-16-The-Special-Problem-of-Special-Access.pdf>.

² See Testimony of Chairman Wheeler, Oversight of the Federal Communications Commission, U.S. House of Representatives, Committee on Energy and Commerce, Subcommittee on Communications and Technology, Nov 17, 2015, p. 69, *available at* <http://docs.house.gov/meetings/IF/IF16/20151117/104195/HHRG-114-IF16-Transcript-20151117.pdf>; Notice of *Ex Parte* of Competitive Carriers Association, INCOMPAS, Sprint Corporation, T-Mobile, and U.S. Cellular; WC Docket No. 05-25, RM-10593 (filed Apr. 21, 2016).

³ See Notice of *Ex Parte* of INCOMPAS and Verizon; WC Docket No. 05-25, RM-10593 (filed Apr. 7, 2016).

Commission to ensure that where the BDS market is not competitive, business customers, wholesale customers, and ultimately, consumers, aren't forced to pay unjustifiable or unreasonable BDS rates. Crucially, this framework would recognize that both monopoly and duopoly BDS markets have inadequate price competition, as well as place all BDS technologies on equal footing.

In accordance with Section 1.1206(b) of the Commission's rules, this letter is being filed with your office. If you have any further questions, please contact me at (202) 861-0020.

Respectfully submitted,

/s/ Phillip Berenbroick

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Cc: Stephanie Weiner
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