



The FCC's Business Data Service Order

FACT SHEET

Stop the Monopoly Manifesto Vote Scheduled for Thursday, April 20

- The Business Data Services (BDS) is a huge market, estimated at \$45 billion.
- The FCC's proposal is likely to result in a massive price hike of at least 25 percent. This is a price hike on small business, schools, libraries and consumers.
- The U.S. Small Business Administration Office of Advocacy called on the FCC to stop the vote.
- The FCC is eliminating bi-partisan competition laws designed to bring more choice, faster speeds and lower prices.
- FCC action will cut off competitive access to 92 percent of the buildings and cell towers nationwide.
- Killing competition slows the deployment of new, faster networks and infrastructure investment critical for a 5G future.

**** YOU—The Consumer—Pay for a Broken BDS Market ****

- Any consumer who uses an ATM machine, gas pump or credit card purchase uses business broadband lines.
- Small and medium sized business customers, and hotels, banks, manufacturing plants, car dealerships, and national retailers with branch offices and chain locations will see price hikes.
- In fact, 18 of the top 20 retailers and two-thirds of the Fortune 100 companies take advantage of competitive offerings.

- Schools, libraries and health care providers depend on competition in BDS, as it brings more affordable broadband options.
- A leading consumer economist found as much as \$150 billion in the current broken BDS market over the last five years alone.

****A Monopoly Manifesto****

- The FCC is ignoring its own data which found a broken BDS market filled with market abuse and monopoly rents in April 2016.
- 86 percent of business locations only have ONE broadband provider at aggregate speeds of 50 Mbps or below—a **monopoly**. And 98 percent of the market has no more than TWO choices—a **duopoly**.
- Shockingly, the FCC's BDS Order actually says ONE broadband provider with another "nearby," constitutes the market as 'competitive.' It's not. It's a MONOPOLY, that hopes to one day become a DUOPOLY.
- This is the actual FCC language: **"one such competitor in addition to the incumbent LEC provides a reasonable degree of competition."**

****Transparency Needed****

- Chairman Pai said transparency would be a priority. But his office has refused to release a list of counties targeted for price hikes.
- Commissioner Mignon Clyburn called for the release of county information, saying: "Just what are we trying to hide?"
- The FCC has also not released a cost benefit analysis, having said cost reviews were critical for any large actions taken by the agency. This is a \$45 billion market that has seen massive consolidation in the past year. Level 3, XO Communications, and EarthLink have all been targets for mergers.

****Transition Time****

- Chairman Pai has said building new networks is expensive and challenging. He has proposed an important and thoughtful deployment agenda. One that will streamline deployment and eliminate regulations and local barriers.
- But competitive providers are some of the most prolific builders currently in the space. Why cut off wholesale access they use to compete BEFORE the deployment agenda remedies are in place?

- A transition period of at least 3 years is necessary for competitive providers, and the customers they have earned, to rebuild and restructure network connections.
- Without a transition period, small business customers will see price hikes, cut off notices, and service disruptions.
- Members of Congress from Arkansas, Massachusetts and Pennsylvania support a transition period. They say wireless 5G deployments targeted for 2020 "may serve to hold prices in check despite the highly concentrated ownership of BDS facilities."

WHO STANDS IN OPPOSITION to FCC PLAN:

- US Small Business Administration Office of Advocacy
- Engine – the voice of the start-up community
- Consumer Federation of America
- Public Knowledge
- OTI – New America
- Common Cause
- Next Century Cities
- Institute for Local-Self Reliance
- National Digital Inclusion Alliance
- INCOMPAS, the Internet and competitive networks association
- CCIA
- Hundreds of competitive network builders: wired, wireless and fiber
- Hundreds of business customers, large and small, who want MORE competition, not LESS

For More, Please See:

["Build, Don't Break Business Broadband"](#)

Medium, by Chip Pickering

"ONE broadband choice counts as "competition" in new FCC proposal"

[arsTECHNIA](#)