

May 15, 2012

The Honorable Julius Genachowski, Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

Dear Chairman Genachowski,

We write today regarding the Commission's efforts to reform the market for high-capacity dedicated circuits known as "special access." As you know, special access services serve as the backbone for dedicated high-speed broadband, and provide competitive wireline and wireless carriers with the capacity to support small businesses, Fortune 500 corporations, universities, hospitals, public safety organizations, and government agencies.

More than fifteen years after the Telecommunications Act of 1996 tasked the FCC with ensuring that special access rates and contracts are just and reasonable, the special access market continues to be dominated by just three incumbent telephone companies. With nearly 90 percent of the overall special access market, these companies have the market dominance to raise prices and impose anticompetitive terms and conditions. Unfortunately, the FCC's history of deregulating the special access market, beginning with the Commission's 1999 pricing flexibility order and followed by subsequent forbearances over the next decade, has preserved this market concentration, contributing to a history of rate increases and little competition.

For more than seven years, the FCC has been gathering data, reviewing comments, and considering this matter in an open proceeding. Reducing prices to a just and reasonable level will generate billions of dollars in cost-savings for companies across the country, increasing innovation and investment, enhancing rural broadband deployment, and improving wireless coverage.

We understand that the Commission is planning another round of data requests in the special access rulemaking. We urge you to analyze this data expeditiously and act decisively to reduce rates and reform anticompetitive contracts. Such action will fulfill a key recommendation of the FCC's National Broadband Plan and support thousands of American businesses, entrepreneurs, educators, healthcare professionals, and local governments.

We look forward to your timely response about your schedule for this proceeding.

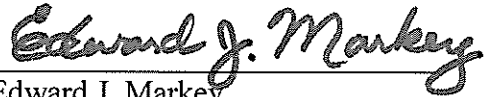
Sincerely,

A handwritten signature in black ink, appearing to read "Anna G. Eshoo", written over a horizontal line.

Anna G. Eshoo  
Ranking Member, Subcommittee on Communications and Technology



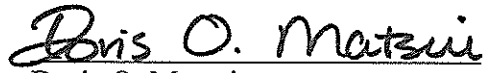
Henry A. Waxman, Ranking Member  
Energy & Commerce Committee



Edward J. Markey  
Member of Congress



Mike Doyle  
Member of Congress



Doris O. Matsui  
Member of Congress