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CHAIRMAN KENNARD URGES INDUSTRY TO TAKE LEAD IN PROVIDING UNIVERSAL ACCESS *Kennard Sees Access Becoming Basic Right Worldwide*

Budapest, Hungary – William E. Kennard, Chairman of the Federal Communications Commission, told an audience of Central European business and government leaders today that business should take the lead in bringing about universal access to telecommunications services worldwide.

“We are all becoming digital citizens,” he said in remarks prepared for a Budapest Business Journal conference. “I believe digital citizenship eventually will become a basic right of all peoples, recognized by the law, the courts and the just information society.”

Kennard said the quickest route to universal access was through competitive telecommunications offerings, with business taking the lead to expand access to everyone. “Rely on the wisdom of your people to choose among competing providers. Competition will increase services and decrease prices, and it will stimulate investors to build your nation’s infrastructure, so that you can more fully participate in the new global economy.”

“But,” he added, “in the rush to the future, we must not leave anyone behind.”

Universal access, he declared, is important for fairness and practicality, as more of society’s basic functions are performed electronically.

“But it also makes good business sense. Competition lowers prices and expands service areas, so that more customers come onto the network. Once more customers are on the network, competition in all types of services is stimulated,” he said.

Kennard challenged the business leaders to wire local schools to the Internet, and set up computer labs to teach today’s survival skills to youths and their teachers.

He also urged government officials to get their political leadership behind “universal support systems, to which every competitor contributes proportionally.”

He also encouraged the Hungarian Government to give its Hungarian Telecommunications Authority “plenary authority over regulatory matters as Hungary prepares to open its market fully to competition in January 2002.” He said competitive telecommunications services would help lower Hungary’s local telephone rates, which are among the highest of all Organization of Economic Cooperation and Development (OECD) nations.

The Chairman praised Hungary’s “sulinet” program, which aims to wire Hungary’s 1500 secondary schools, and about 20% of its primary schools, to the Internet.

Earlier in the day he had signed a development partnership agreement with President Gabor Frischmann of the Hungarian Telecommunications Authority.

The agreement with Hungary was the ninth such agreement signed with nations in Africa, Latin America/Caribbean, Asia and Central Europe as part of Chairman Kennard’s International Development Initiative.

He said the goals of the Development Initiative are to have countries, “set up an independent regulator, and give that regulator the power to break up monopolies, and the wisdom to deregulate as monopolies dissolve. Require monopolies to share their facilities with their competitors, and require networks to interconnect at cost-based pricing. And manage your radio spectrum as the precious resource it is, in a manner that is fair and efficient.”

Chairman Kennard said the Initiative has helped stimulate a worldwide change in attitudes toward independent regulators and competitive telecommunications.

The numbers bear this out, he said. In 1990, 12 nations had independent telecommunications regulators. Today there are 93. In 1995, fewer than 20 countries had competition in at least one telecommunications market. Today there are 70 countries, and 50 have competition in three markets: local, long distance and international.

He urged the audience to see the new digital economy in terms of its public enrichment, rather than its private gain.

“The new economy has been defined too much by its power to create wealth for a few, and too little by its power to create opportunities for the many. We should use the new economy to unlock the potential of all of our people — to educate our poorest children, to empower people with disabilities, to uplift rural and inner city communities and to repair and revitalize the fabric of our communities,” he said.