

Remarks by Commissioner Kevin J. Martin
Federal Communications Commission
To the TIA Regulatory Session at Supercomm:
A New Framework for Broadband Deployment
Atlanta, Georgia
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As Prepared for Delivery

Thank you for that kind introduction, and thank you TIA for inviting me to be here this afternoon. I always enjoy my visits to Supercomm, and I appreciate the opportunity to visit with you for a few minutes about the Commission's February broadband decision.

I have long advocated making broadband the Commission's top priority. Telecommunications has been responsible for much of this nation's economic growth in recent years, and the availability of advanced telecommunications is essential to nation's the economy in the 21st century. I am confident that broadband deployment will lead to a new period of economic growth, and I believe we need to make broadband deployment a national priority.

I would also like to thank TIA for their tireless efforts on behalf of many of you here today. The equipment manufacturers are vital members of both this industry and the economy as a whole. I appreciate the opportunity to hear from you as often as possible, and TIA was a very active and effective participant in the Commission's Triennial Review process. During the year and a half preceding the decision, carriers and equipment providers argued for the need to create a regulatory environment that encourages new investment and the deployment of new broadband infrastructure.

In providing ubiquitous high-speed connectivity, broadband technology will make possible the next generation of IT innovation and productivity. Some even estimated that accelerated broadband deployment could provide hundreds of billions of dollars worth of economic benefits through increased efficiencies, as well as through new investment in fiber, switches, software, and processors.

Such economic benefits would be critical to get the telecommunications, technology, and manufacturing sectors back on their feet.

During my last 2 years on the Commission, many argued that the Commission's rules were a barrier to such deployment, creating an unlevel playing field which favored cable. These rules impose disparate access obligations on cable operators and DSL providers even though they compete vigorously for residential broadband consumers. Unlike in the voice market, phone companies are not the predominant providers of residential broadband service; cable operators have almost 2/3 of the residential market share.

Yet the incumbent phone companies, not the cable operators, are – I should say were – the ones that had to unbundle their networks to competitors.

To address this disparity, some local phone companies advocated changes to our rules based on several core principles:

First-- that narrowband voice rules should not be applied to broadband data.

Second - - that the government should not pick winners and losers among rival technologies or industries. (i.e., telco's and cable)

Third - - that without incentive, private enterprise will not assume risk.

In the end, the Commission agreed with these principles. It agreed to refrain from applying voice rules to broadband data. It agreed to level the playing field between phone companies and cable companies competing to provide broadband services. And it agreed that phone companies, like cable operators, should have the proper incentives to invest the capital necessary to make 21st century broadband capabilities available to all American consumers.

In our recent decision in the *Triennial Review* proceeding, the Commission tried to create a National broadband regulatory framework that would stimulate and promote deployment of broadband infrastructure.

The decision frees incumbent LECs from unbundling requirements on all newly deployed fiber to the home. It provides relief for new hybrid fiber-copper facilities and thus removes disincentives for incumbent LECs to deploy next-generation broadband networks. It frees incumbent LECs from unbundling requirements on providing line sharing access. And, it adjusts the “wholesale” prices for all new investment. In fact, the Commission’s decision endorses and adopts in total the TIA and the High Tech Broadband Coalition’s proposals for the deregulation of fiber to the home and any fiber used with new packet technology.

In our recent decision we altered the regulatory landscape for broadband facilities. We provided sweeping regulatory relief to promote new investment.

I remain hopeful that our Broadband decision will lay the foundation to help restart investment in next-generation networks and facilitate the deployment of advanced services to all consumers. While we have retained certain unbundling obligations on the existing copper network, we are powerfully encouraging new investment in fiber and packet technology since it is the only path to some regulatory relief.

During the last several weeks, we have seen some very exciting announcements in that regard. In March, Verizon announced that they will be deploying DSL technologies to an additional 10 million homes and business by the end of the year, increasing its mass-market broadband capabilities by nearly 30 percent.

Just last week, BellSouth, SBC, and Verizon announced an agreement to standardize the construction of fiber-optic networks. These companies have agreed upon a common technological standard for fiber-builds so that manufacturers can more easily develop equipment for the network as a whole, and the Bells can then deploy this new infrastructure more quickly and less expensively.

These announcements are great news for the network. They are great news for your industry and the economy. And they are great news for consumers. This is the type of commitment that we hoped for in completing the Triennial proceeding. And, I hope we will continue to see these type of commitments in the months to come.

Thanks again for inviting me to be with you this afternoon and best of luck with the remainder to the summit and the conference.