Closing Remarks of FCC Commissioner Kathleen Q. Abernathy
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Over the past five years, we have had the opportunity to gather together at the Global Symposium for Regulators to exchange opinions and viewpoints on the most pressing regulatory issues of the day. This meeting is unique. There is no other event where we can engage in a dialogue with our peers – people who have to address the very same issues in their country that we do in ours. In the decisions we make, we are each driven by the same goal – to ensure that we have the best quality and most innovative telecommunications services available to our citizens at reasonable rates. We can be honest and supportive with each other, because we have faced – or will face – similar challenges as we chart our regulator path for the future.

That's what I would like to focus on, briefly, at the close of these remarkable days of discussion – the future. We have talked about an information and communications technology sector that is evolving and "converging." And we have talked about the exciting developments in broadband network technologies that will enable our societies to reach for greater connectivity and capacity to achieve the goals of the Information Society. Now I'd like to talk about ways that we, as regulators, can help to harness and drive these trends that we have talked about. I believe that it's important to focus on concrete steps, many of which are spelled out in the groundbreaking document we just approved, the *Best Practice Guidelines for the Promotion of Low-Cost Broadband and Internet Connectivity*.

Evolution and Convergence

There is no doubt that these guidelines can be timely and useful tools to build toward the future– because information and communications technologies are evolving rapidly. The era when "plain old telephone service" defined a country's telecommunications development is rapidly receding. While voice service remains crucial to the demand for telecommunications services, it is increasingly being delivered using networks that are at least partially packet-switched. Through Voice over IP technology, voice traffic can be transmitted at lower cost and greater efficiency – and delivered in combination with other life-enhancing digital data and video services. This is clearly where competition in landline voice service is heading and as a result it creates regulatory challenges for all of us.

The use of the Internet and other packet-switched networks is steadily growing. Of the nearly 700 million Internet users recorded globally last year, 332 million had been added in just three years since the beginning of the decade. Moreover, of those new users added in this millennium, two-thirds were in developing economies. Clearly, the take-up of Internet services is not only strong, but broad-based, as well.

Perhaps an even more fundamental evolution can be found in the global explosion of wireless services. There are now more than 1.4 billion mobile service customers around the world – one out of every five people on our planet. Mobile service is growing the fastest in developing economies such as China and India, where market potential is being tapped in earnest.

What's next on the horizon? Potentially, the mobile boom will pave the way for the nexus of mobile capabilities with packet-switched data services and applications. This is an especially attractive option for the roughly 200 million people around the world who have a mobile phone, but no landline service.

Meanwhile, communications and information technologies are converging. As we have seen this week, there are several aspects of what we call "convergence." Previously distinct networks and transmission platforms – such as landline and mobile telephone networks, cable TV systems and satellites – can be used to provide a full range of voice, data and video offerings. Previously separate market segments, such as mobile and land-line telephony, are merging into consolidated markets for substitutable services. And companies from previously separate industries are *literally* converging, through mergers and acquisitions, to form wide-ranging media and communications market players.

The benefit to consumers is that convergence increasingly allows greater competition among all kinds of different providers: incumbent telephone companies, ISPs, cable TV system operators, direct-to-home satellite providers – even electric power utilities. Through digital transmission and what I call "EoIP" – *everything* over IP – all of these types of providers can enter each others' markets, where they will be forced to lower prices, offer innovative service packages and pioneer new products and services in order to attract greater market share. The result will benefit for customers of all income scales.

Broadband Is the Key

But let's resist the temptation to get ahead of ourselves. We all know that simply identifying these promising trends does not make them a reality in our own countries. This is true for developed and developing economies alike. To a greater or lesser extent, we *all* face two major challenges in providing an environment for the flourishing of digital ICTs:

1. Providing incentives for investment in broadband networks, and

2. Adjusting our regulatory frameworks to accommodate the broadband revolution.

Broadband networks are the key to maximizing the promise of an evolving and converging ICT sector. Without the bandwidth and throughput of broadband networks, multimedia service packages and e-government applications remain only a vision of where we would like to be.

We all recognize that broadband networks have the power to transform our societies. This truth was brought home to me earlier this year when I traveled to Alaska to visit a village above the Arctic Circle, where the residents have incorporated DSL and wireless broadband services into efforts to improve their daily lives. Using these broadband technologies, a consortium established links to schools, health clinics and many private homes. It was vivid proof of how broadband connections can erase distances, dissolve geographic isolation, link citizens to government services and energize local economies.

Similar broadband rollouts are being pioneered all over the world, as we have heard in our discussions this week. Governments from Bhutan and India to Latin America have in recent years experimented with broadband network solutions – many of them wireless – to overcome distance and isolation by linking villages and rural areas to national networks. There is increasing evidence that broadband applications, such as agricultural extension, tele-medicine and distance-education, may be instrumental in appealing to rural constituencies and providing a customer base for sustainable business operations.

What makes all this possible is the advent of new, low-cost broadband technologies. As our discussions this week have indicated, there are more and more options for linking communities and individuals to each other and to the wider global community. In many nations, travelers and residents are by now becoming familiar with the use of Wi-Fi hotspots that provide broadband wireless Internet access, allowing individuals to send and receive email or use VoIP services, all over the world.

Lighter Regulation and Flexibility

These technologies – and many others that are sure to follow – can revolutionize our societies and help to close the "broadband divide" that exists within and among our countries. But their effects will be stunted or ephemeral if licensing and regulatory frameworks impose artificial barriers and disincentives to investment. So it is up to us to adjust, alter or reform our regulatory codes, wherever possible, to dismantle unnecessary Rules that may have been appropriate in traditional markets emerging from monopoly, but which may stifle innovations and competitions in a converged environment.

So that brings me to our best practices and to all that was accomplished the past few days. We, all of you, put aside economic, geographic and political differences to work for the good of all our citizens. As we go back to our countries these guidelines can be signposts – or perhaps lighthouses – marking the way forward in the rapidly evolving broadband era. In broad terms, they remind us to keep in mind our national and regional policy goals; to prepare the ground for competition and capital investment; to ensure fair and reasonable access to broadband networks, including the Internet; to reassess our regulatory structures in light of convergence; and to adopt technology-neutral policies that do not favor one technology or market segment over another.

I want to congratulate all of you and thank all of you for the time, effort and thought that went into preparing this forward-looking document. I believe it comes out

of the finest tradition of guidance from the GSR to our global family of regulators. It compliments and builds on efforts we have made in previous years, including the *Best Practice Guidelines for Universal Access*, enacted a year ago.

The *Broadband and Internet Connectivity Guidelines* we have embraced here in Geneva largely speak for themselves. They are pro-active, pro-competitive and reflect the realities we face daily as regulators. I want to emphasize a handful of the guidelines, however, because they point to the need for us to involve all segments of our societies in supporting broadband development.

First, we recommend that the promotion of access to low-cost broadband interconnectivity encompass all levels – from identifying local, "grass-roots" needs in our communities to cultivating support at the highest levels of government. In this recommendation, we are making clear that the broadband revolution is not an isolated project of each country's communications ministry or regulatory agency. It must be an integrated process, beginning with the authentic identification of community needs and ending with a full mobilization of government and non-governmental organizations.

Second, we encourage regulators to work with all stakeholders in partnerships, to promote broadband development. This is further recognition that our evolving, liberalized ICT sectors are increasingly market driven – but at the same time market forces can work in tandem with government policy to deliver outcomes in the public interest. Again, it is important to emphasize that each stakeholder has a role in broadband deployment, and it is on all our interests to open new market and offer services to new customers.

Finally, we properly recognize that, in the end, the objective of regulation – and of promoting the potential of broadband – is to improve the lives of our citizens. For that reason, we urge each other to educate and inform consumers about the new services that will be available to them through broadband networks and digital services. As we work to close the broadband access gap, we have to ensure that our citizens are empowered with the skills they need to make full use of multimedia and computing applications that will be available to them. This will build communities of users and stimulate the kind of demand that will sustain broadband and IP-enable services in all kinds of localities.

Conclusion

It has been my honor to chair the GSR this year and my privilege to work with all of you. Moreover, it has been my joy to learn from you and to share what I have learned so far in my tenure as a public servant. As I said at the beginning of these remarks, perhaps only we, as colleagues, know the full scope of the burdens and responsibilities we share as telecommunications regulators. But then perhaps only we -- through the power of our determination and the wealth of our common knowledge -- can reinvigorate our commitment to excellence in leading our countries to realize the full potential of these communications technologies that so amaze us -- and the world. And that means we must continue to support each as we all face challenges back home. Those of you just

starting out on the regulatory path, we are here to help with training advice, and technical support. Those of you who are facing challenges to your independent authority – let us know – let the BDT know and we will see what we can do to help. If we do not support one another, who will?

It is my hope that your faith in the potential good we can achieve together stays with you as you leave Geneva and head back to your home countries. If it does, then in my opinion, the broadband revolution has not only begun, it is well on its way to being won. Thank you and Godspeed to your homes and families.