

**Remarks of Kathleen Q. Abernathy
Commissioner, Federal Communications Commission, USA
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Good morning. I would like to start by thanking Mr. Yoshio Utsumi, ITU Secretary General, Mr. Hamodoun Touré, Director of the ITU's Telecommunications Development Bureau, distinguished colleagues and guests. I am extremely honored to have been selected as the Chairman of the 2004 Global Symposium for Regulators or GSR, and greatly appreciate the support I have received from the ITU staff in preparing for this meeting. I look forward to an open and interesting dialogue over the next three days on the issue of licensing in the era of convergence, how to combat spam, and the promotion of cost-effective access to broadband and internet connectivity.

The GSR is a unique and extremely special forum. The GSR started as an experiment five years ago to bring regulators from around the globe together to hold open and frank discussions on issues of common concern. Looking around the room at all the

regulators and private sector attendees present at this event, it is clear that the GSR continues to be a success. I believe the importance of the GSR can be directly traced to it being a meeting forum that carefully balances the need for regulator-private sector discussions, but also provides an opportunity for regulators to have informal regulator to regulator discussions.

When I talk to regulators from all over the globe, it is clear that we are each struggling with the same issues – whether it is how to improve access to telecommunications services by our citizens or how to best structure a regulatory regime that takes into account the changing nature of technology. The GSR provides regulators with a forum to meet face to face and candidly share their experiences on issues of mutual concern.

This year's GSR, with its focus on Licensing in the Era of Convergence, is particularly timely. As I continue my discussions with different regulators, one common theme that emerges is how to create a regulatory scheme that allows consumers to best take advantage of the benefits of new technology. I am hopeful that

over the next three days we will be able to share ideas and experiences on how to best license in the area of convergence, what regulatory framework best promotes cost effective access to broadband technologies, and how to combat spam.

In addition, I am hopeful that we can agree on Guidelines that will serve as Best Practices on Promoting Low Cost Access to Broadband and Internet Connectivity. I would like to thank the many regulators who have already contributed to this document and encourage others to engage in the debate over these guidelines throughout the Conference.

I also want to take the time to encourage each of you to visit with the companies and individuals who are participating in the technology demonstrations including Cisco, Ericsson, IIT Madras University, Intel, Intrado, the Massachusetts Institute of Technology, Nextnet Wireless, Nortel Networks, Qualcomm, Telecom Somalia, Texas Instruments and Vivato. I am hopeful that by bringing their latest technology to each of you, this will further enable our discussions. These technology demonstrations

will be available to you throughout the course of the Conference so I highly recommend that you take a few minutes and visit each booth.

I would now like to take a few minutes to talk with you about my views on convergence and adjusting to the new realities and opportunities that convergence is providing. Over the course of my career in telecommunications, I have seen a major change as markets began to change from those typically characterized by large monopoly carriers into a world increasingly characterized by competition. Today, with the creation of new technologies like wi-fi, wi-max, and voice over internet protocol, among others, many of which are being demonstrated at the technology demonstration, we are at the next plateau. It is time for regulation to catch up with technology. As regulators, I believe it is our mission to determine whether we should be trying to fit new technology into an old regulatory framework or whether we should try to fit it into a new, more suitable framework.

In the United States today we have found that broadband technologies do not fit easily into any of the current regulatory categories. So, we are spending a lot of time and energy trying to figure out how to adapt our regulations so as to encourage, not stifle, the further development of innovation and competition.

I suspect many of you are struggling with the same challenges. In many cases, we, as regulators, are working with regulatory statutes and laws based on concepts and boundaries that fit the technology of ten or more years ago. The United States communications law, for example, was first drafted and adopted over 70 years ago!

However, I believe that at this time it no longer makes sense to place services into distinct regulatory categories based on the identity of the provider as so many of our regulatory schemes encourage or require. In a world where different platforms are used to provide functionally equivalent telecommunications services, regulators must harmonize distinct regulatory frameworks and licensing schemes. We need to develop more flexible

regulatory structures that are centered on the fulfillment of core social policy objectives, and are less bound up with arcane service categories or labels, like voice or data. I recognize how formidable this challenge is because many regulators, such as the FCC, are constrained by a legal framework that was written before the technological explosion.

The good news is that new technologies provide regulators with the perfect opportunity to promote competitive markets. To the extent that there are multiple providers competing for customers, regulators can worry less about having to address the potential for anti-competitive conduct by incumbent service providers. That is why one of my main goals as a regulator has been to encourage investment infrastructure, thus creating choice for consumers. In the United States, our best successes, whether in urban or rural areas, have been where we have had multiple providers all competing for customers. For example, in the United States wireless and broadband arenas, which have been largely based on competition, consumers have enjoyed a high degree of

innovation, high quality service, generally declining prices and a choice of providers.

In the areas of new services, I believe that we, as regulators, should set a presumption against extending legacy rules written for incumbent-dominated markets to newly developed services and technologies, where such incumbents do not dominate. I am not, however, advocating complete freedom from regulation. There are certain core social and policy goals that are not market-driven and probably cannot be achieved with governmental urging, and perhaps, mandates. A regulators' job is to account for concerns that the market does not address, such as universal access, access to emergency services, providing services for people with disabilities, and security concerns, among others.

The movement away from traditional economic regulation undoubtedly will translate into a shift in responsibility for the regulator. This means the regulator must be more active in two key areas – enforcement and consumer education.

I know from personal experience, that the United States has only been successful when the FCC has enforced its rules vigorously. Failure to enforce rules sends the inappropriate signal that companies may engage in anti-competitive behavior or other unlawful conduct with impunity. To this end, I believe that narrowly tailored rules that are aimed at specific conduct are easier to enforce than broad rules. By adopting narrow rules, regulators can limit their interventions to particular circumstances. This will allow markets to operate with minimal regulatory distortion and increased certainty.

In addition, the very technological advances that we have been talking about require regulators to improve consumer outreach and education efforts. Competition delivers tremendous benefits, but it also can confuse consumers as they are faced with unprecedented choices. Today with so many service and technology choices, consumers can be overwhelmed and under informed.

Regulators play a vital role in informing consumers of their rights and opportunities so that they can better navigate the competitive marketplace. Education is essential to our ability to regulate in the public interest because only with knowledge can consumers make informed decisions. Therefore, in the United States, for example, the FCC has engaged in consumer education initiatives including issuing newsletters explaining the affect of our rules on consumers, meeting with various interested parties, to ensure that there are views are taken into account as we formulate our rules, and similar endeavors. I also urge the private sector to participate in consumer outreach and education efforts. In the long run, these types of outreach activities help ensure that consumers do not just have choices, but that they have meaningful choices.

I am looking forward to continuing our dialogue on the regulatory issues raised by convergence throughout the upcoming days of the GSR. I believe that resolving the issues surrounding licensing in the era of convergence and how to promote cost effective access to broadband connectivity are key to each of our

country's economic and social development. We cannot continue to force the new technological innovations we are seeing into the old regulatory categories. Instead, we must work to create a new framework for the new innovations that allows consumers to reap the accompanying benefits.

I am truly excited by the limitless promise of our converging communications technologies. I look forward to hearing from you on these important issues and continuing our dialogue throughout this week's GSR and in the future.

Again, I would like thank you for your support and the opportunity to serve as Chairman of this important event. It is clearly a privilege and an honor.

Thank you for your time and attention.