

Policy Highlights of Michael K. Powell's FCC Tenure

From the outset, Chairman Powell's vision has been to get the law right to stimulate innovative technologies that put more power into the hands of consumers, and lets them live better and more enriched lives. This vision has taken many forms.

I. BROADBAND AND ADVANCED TECHNOLOGY

Under Chairman Powell's leadership, the Commission promoted cable and DSL broadband, and a host of other strong and emerging broadband platforms that offer great possibilities for universal access to this critical technology, anytime, anywhere.

Broadband over Cable and Fiber Lines: A light touch to promote development

- **Eliminated risks to full scale deployment of cable modem service.** Declared cable modem an "information service" to keep it in a minimally regulated environment (March 2002) and fought efforts to impose telephone regulation on broadband services (Supreme Court Brand X Case December 2004)
- **Put strong incentives in place to deploy fiber optics to the home.** Deregulated a host of fiber options to promote broadband, including new fiber deployment (August 2003), fiber to the curb (October 2004) and fiber to apartment buildings (August 2004); eliminated other regulatory barriers to fiber deployment by telephone companies (October 2004)

Broadband Over the Airwaves: Unleashing the Wireless revolution

- **Increased WiFi Availability.** Lets consumers surf the Internet throughout their homes, in coffee shops, airports and even in entire cities like Grand Haven, MI. Commission modified rules to allow wider commercial deployment of WiFi (November 2003, April 2004, July 2004), and made more spectrum available at 5 GHz for last mile unlicensed use (May 2003)
- **Advanced New Technologies—Ultrawideband.** Led effort to enable this new technology to enter the market (February 2003, December 2004)
- **Much More Spectrum for Broadband.** Adopted rules, reclaimed spectrum, and signed agreement with NTIA ultimately freeing up over 290 MHz of spectrum for new, licensed broadband uses (January 2003, October 2003, September 2004)

Broadband over Electric Lines: The third broadband pipe to the home

- **Broadband to power plugs would lower prices, expand deployment.** Adopted new rules to minimize regulatory hurdles for broadband over power lines (October 2004)

Voice over the Internet: Clearing regulatory barriers to valuable new consumer services

- **Fought for an unhindered, innovative regulatory environment for VOIP.** Consumers can now buy phone service off the shelf in local electronics stores that is now cheaper and more personalized, portable and more innovative than traditional telephone service. Pulver.com (February 2004) and Vonage (November 2004) decisions free Internet voice from old-world regulation and pre-empted onerous state regulations

II. REVOLUTIONARY WIRELESS REFORM

With over 170 million wireless phones in use, Americans have embraced the freedom and mobility of wireless and begun to use their wireless phone as their principal phone. Chairman Powell has led a dramatic shift away from a command and control model of spectrum management to a market model that allows more innovative and competitive spectrum uses.

Creating a New Model for the Airwaves: A consumer-oriented approach

- **Rewrote the book on spectrum management.** Spectrum Policy Task Force created a new blueprint for managing spectrum (June 2002)
- **Reform orders implemented this blueprint.** Allocated more spectrum for licensed and unlicensed use; Rural Wireless Services Reform (September 2003, July 2004); Secondary Spectrum Markets (May 2003, July 2004); Smart Radios (December 2003); launched Educational and Wireless Broadband Radio Services (June 2004); eliminated the spectrum cap (November 2001)
- **Adopted policies that let consumers and communities own spectrum.** Promoted the commons model where consumers and entrepreneurs could use spectrum for free and without the government's permission
- **Settled Nextwave case** putting spectrum back into productive use (April 2004)

III. ENHANCING CONSUMER CHOICE

The Commission under Chairman Powell's leadership sought to update consumer protections to reflect new communications options and enhance consumer choice.

New Choices for the Digital Age: Consumer protections

- **Stopped unwanted telemarketing calls.** Gave consumers the option of avoiding telemarketing calls through the national Do Not Call registry, jointly enforced and developed with the Federal Trade Commission (October 2004)
- **Let Americans keep their cell numbers.** Consumers no longer limited when they want to change carriers or drop their landline telephones (November 2003)
- **Ruled to stop cell phone spam.** (March 2004)
- **Money Back to Consumers.** Vigorously enforced slamming/cramming rules, returning \$8 million annually to consumers
- **Blocked Direct TV/EchoStar merger to ensure continued competition and choice in satellite television.** First major merger blocked by the FCC in 30 years (October 2002)

Digital Opportunities for Underserved Communities:

- **Major effort to help Indian Country.** Developed and expanded the Indian Telecommunications Initiative and government-to-government consultation; developed Tribal land bidding credit; expanded partnership to protect Tribal lands
- **Diversity Committee to help women and minorities.** Launched Diversity Federal Advisory Committee to expand opportunities in the Digital Age
- **Expanded Rural Health Care funding.** Reformed support for rural healthcare communications and expanded funding (December 2004)
- **Rural Lands of Opportunity Program.** Launched expanded outreach and partnership with Appalachia, Native Americans, Alaskan Native and the Delta regions

- **Disability Community.** Expanded outreach and increased policy initiatives to reduce barriers to access, including first ever requirement for hearing aid compatibility for cell phones (July 2003)

IV. FACILITIES-BASED TELEPHONE COMPETITION

Chairman Powell has led an effort to rationalize economic incentives and unleash the potential of true competition. This competition is based on investment in facilities, which offers product differentiation, greater innovation and lower prices.

Creating a Competitive Structure: Better value for traditional phone service

- **Drove down long distance rates.** Approved over 40 applications for regional companies to offer new competitive long distance service (December 2003)
- **Drove down international calling rates.** Drove an international settlements policy that forces international calling rates down to more reflect true costs (International Settlement Rates Order March 2004)
- **Passed sound, rational local competition rules.** Promulgated revised local competition rules designed to withstand judicial review, bringing certainty to the market (December 2004)

V. PUBLIC SAFETY & HOMELAND SECURITY

In a world where public safety is more critical than ever, Chairman Powell fought tirelessly to strengthen the hand of our nation's first responders. The FCC worked to leverage the power of new technologies to increase personal security and improve our national telecommunications infrastructure.

Countering New Threats with New Technology: Communications security

- **Personally promoted the AMBER Alert system** that has saved countless abducted children across the country (Chairman Powell awarded the top honor by the Center for Missing and Exploited Children for his efforts in May 2003)
- **Accelerated E911 for wireless phones.** Put all wireless carriers on compliance schedules (October 2001) created E911 co-ordination initiative (April 2003) and an E911 Solutions Summit for VoIP (March 2004)
- **Untangled serious interference to public safety systems.** Achieved a unanimous decision to free 800 MHz spectrum for unhindered public safety use (July 2004)
- **Cutting edge capability for cops and firefighters.** Created public safety broadband service to enable first responders to have broadband access at the scene (April 2003)

VI. MEDIA POLICY FOR THE DIGITAL ERA

Media is changing, and so is its effect on our democracy and the marketplace of ideas. Currently, there are enormous pressures on traditional broadcasting and traditional regulatory models as broadband takes hold. As Arthur Sulzberger Jr., publisher of *The New York Times*, recently said, "Within our lifetimes, the distribution of news and information is going to shift to broadband." There is a real need to drive digital television and new digital sources for media delivery in order to spur greater innovation and more sustained business models, while still advancing the public interest.

Driving the Transition to Digital TV: More than just a pretty picture

- ***The Powell Plan dramatically accelerated DTV.*** Created DTV Task Force (October 2001), which called on broadcasters to build out DTV facilities (now 1,445 DTV broadcast stations on air—up from 75 in 2001); cable operators to carry and provide HD and digital programming (now offer HD in 177 of 210 DMAs); content providers in the TV industry to encourage new HD content (today, almost all of prime time and major sporting events is in HD and 18 cable channels are dedicated to HD programming)
- ***Made sure consumer electronics could work easily with digital TV content.*** Issued Plug & Play rules to simplify issues for consumers (September 2003), and a broadcast flag (August 2002, November 2003, August 2004) and a DTV tuner mandate to ensure consumers can receive a digital signal (August 2002)
- ***Reached out to help consumers understand the DTV transition.*** Created www.dtv.gov website and consumer tip sheets (October 2004)

Enhancing the Public Interest:

- ***Required more children's programming in broadcasting.*** Promulgated children's public interest obligations for digital broadcasters (September 2004)
- ***Strengthened decency on the public airwaves.*** Enforced decency laws in response to coarsening of content in broadcasting
- ***Ensured equal employment opportunity in media.*** Set out sustainable equal employment rules (November 2002)
- ***Conducted most comprehensive review of media marketplace in FCC history.***

VII. RESTRUCTURING THE FCC

An agency is only as good as its people. For the FCC to keep pace with historic and dramatic changes, it needed to change. It had to stay current on cutting edge technologies, economics, industry analysis and law. While it never finds its way to the pages of newspapers, the internal management of the agency is the most important and enduring legacy.

A Smarter Agency to Tackle New Issues:

- ***Built a university to keep FCC employees at the cutting edge.*** FCC University increased staff participation in training by 275%. Last year, employees took advantage of over 7,000 courses
- ***Recruited top tech talent to meet the challenges of digital age policy.*** Improved the agency's technical expertise by aggressively recruiting quality engineers. Since 2001, the Commission has hired 63 new engineers and invested in a state of the art laboratory facilities (an unprecedented \$3 million)
- ***Restructured the FCC to cope with convergence.*** Largest re-organization in years, moving toward a functional organization designed along market lines rather than technical ones
- ***Directed a performance-based budgeting approach*** centered on six key goals: Broadband, Spectrum, Competition, Media, Homeland Security, and Modernize the FCC.
- ***Largely eliminated backlog.***
- ***Offered public WiFi access.*** One of the first federal agencies to do so (August 2003)
- ***Led the agency to give back to our community.*** Established the FCC Best! Program, which encourages serving the community, creating a more enjoyable workplace, and improving the efficiency of the FCC's work. FCC Best! has donated thousands of books to local Southwest DC elementary schools and hundreds of hours to local charities, environmental organizations and homeless shelters.

Industry Trends During Chairman Michael K. Powell's FCC Tenure

	Then (2001)	Now
Residential Broadband - all technologies	5.1 million (as of December 2000)	30.1 million (as of June 2004)
Average Price Per Minute for Mobile Wireless	\$0.18 (as of December 2000)	\$0.09 (as of June 2004)
Wireless Local Number Portability	0 started November 24, 2003	9,484,000 (as of November 30, 2004)
Sales of Wi-Fi Hardware	9.6 million units (2001)	49.9 million units (2003)
Average Long Distance Price Per Minute for Wireline	\$0.09 (2000)	\$0.07 (2003)
Average International Price Per Minute	\$0.52 (2000)	\$0.20 (2003)
VoIP Subscribers	Not available	722,000 (as of January 2005)
National Do Not Call Registry	0 Launched June 27, 2003	64 million phone numbers
Annual DTV Sets Sold	648,000 (2000)	7.3 million (2004E)
Amount of New Enforcement Actions Taken	\$7.9 million (2000)	\$24.2 million (2004)

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