

Remarks of Kevin J. Martin
Chairman, Federal Communications Commission

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“Conversation with Fox News Channel Journalist Stuart Varney”

Mr. Varney: Mr. Chairman, at the risk of turning this into an ambush, let's get straight at it shall we? Would you perhaps define for our audience “indecenty”?

Chairman Martin: You know the indecenty issue is certainly one that is going to end up in front of the Commission for a long time, and the definition of indecenty, there is a legal definition for it that the courts talk about that the Commission ends up having to enforce.

But I think that what is more important is actually the concern that we're hearing increasingly from consumers and from a lot of parents about just what is appropriate and what isn't appropriate to be on television and on all different forms of media. And I think that that is a serious and significant issue that the Commission needs to continue to be focused on.

You know when I first arrived at the Commission, we received a few hundred complaints per year from parents and consumers about what was on television and radio, and the next year we received a few thousand, and then the following year we received over ten thousand, and then the following year we received over a million complaints. What you're seeing is an environment in which consumers and parents are increasingly concerned, and I think it's one in which you're seeing people trying to respond to that.

Mr. Varney: Are you going to extend the rules on indecenty to the world of cable and satellite?

Chairman Martin: At bottom, the Commission is a creature of Congress, and it's Congress that ends up trying to determine whether or not the rules on indecenty should be applied to cable.

But I do think that the cable industry has an opportunity. In many ways in the past the cable industry has really stepped up to the plate to try to address issues. When people had been talking about regulation and there was concern about minority hiring, for example – and the Commission ended up adopting rules that applied to the broadcasters – the cable industry was able to actually step up and voluntarily agree to many of the same things. They established the Kaitz Foundation which was really on the forefront of trying to make sure there was minority hiring. You can also look at what they have done with cable in the classroom. The cable industry has a similar opportunity here.

Mr. Varney: You want them to address this issue?

Chairman Martin: Absolutely. I think that this is an opportunity for the cable industry to try to not just speak to me but to speak to the consumers and the parents that we hear some of the concerns from.

Mr. Varney: In which areas --- which are the issues --- will you take a strong and proactive stance? Clearly on the issue of indecency you're going to be proactive, you're going to be a regulator, you're going to go out there and meet this. On what other issues will you take the same regulatory proactive stance?

Chairman Martin: Well, I'm not even sure I would agree with what you're saying on this proactive stance. On the indecency issue, don't forget the Commission is actually responding to complaints. In each case it's a reactive mode that the Commission is in. We have complaints that were filed before us and we end up having to do something with those complaints, either proceed with those or dismiss them. But we have to take some action in response to the complaints that were filed with us. So even on the indecency issue, I think it's reactive. But that doesn't mean I don't think it's an important part of what the Commission does.

But in general when you talk about being a regulator, from my personal vantage point I think that the market place is much more important than regulation as far as driving innovation and trying to provide choices for consumers. But that doesn't mean the government doesn't have an important role to play. I think it does, in setting the rules of the road to make sure there's fair competition out there.

Mr. Varney: I'm just trying to get to grips with what kind of a regulator you are going to be. Do you see your role as essentially ensuring a fair and level playing field in the market place or do you want to use your regulatory power and your authority to shape this industry as it goes forward in a direction you want it to go in?

Chairman Martin: Well, first of all, I'm not sure that you can end up shaping the industry in the direction you wanted to even if you tried. Like I mentioned to you before, it would be like herding cats, I think, trying to shape the industry. But I do think that it's an opportunity for the Commission to be trying to establish a level playing field, as you said, and making sure that there is an opportunity for the various media to compete in this kind of converging market place. And I think that's the main role of what the Commission should be trying to do --- trying to establish rules that allow for these different media to compete in a fair environment. I think that that is important. There are still times when the Commission ends up having to take more specific action involved with complaints, but I think that's its main role.

Mr. Varney: You want to build on the strengths of Chairman Powell's chairmanship of the FCC. How would you define those strengths? What were they?

Chairman Martin: Chairman Powell was certainly a great visionary in his view of technologies, and how they were changing the different industries. His recognition very early on that these various segments, because of technological changes, were going to allow those different segments of the industry to compete in a more head-to-head environment, and how we change the regulatory model which has traditionally looked at each industry in kind of a stove-pipe fashion to one in which we recognize that they're going to be competing across platforms, I think was critical. He was one of the people on the forefront of talking about that and I think the

Commission needs to try to continue on with that vision of trying to establish that level playing field and try to do so in a deregulatory not a regulatory fashion. That's what we will be trying to build on.

Mr. Varney: Is there a guiding principle that you will stick with throughout your Chairmanship? Can you define it?

Chairman Martin: Well I think that we talked some this morning about preferring markets and competition to regulation whenever possible, trying to establish a level playing field for people that are competing, and trying to recognize that in many ways, you've got to have competition first and then deregulation when you're talking about kind of protecting consumer interests.

Mr. Varney: I believe it was last year President Bush talked and called for Universal affordable access to broadband technology by the year 2007. How far along the road are we towards that goal and how can you advance it?

Chairman Martin: Well you know I think we're very far along the road. That doesn't mean that there isn't still work that needs to be done. We're very far along the road in large part because of the work of the cable industry here. You know, the cable industry since the Telecommunications Act of '96 has invested 95 billion dollars to make their networks capable of delivering broadband service, and as a result of that investment, you now have over a hundred million homes - - - and its over 90% of the households today - - - with access to high speed internet access and other advanced services. So I think we're 90% there and in large part that's in part because of the investment in what you all were doing. But now it doesn't mean that we don't have to address that remaining ten percent, and many of those are difficult areas to try to address. It could be rural communities that are harder to reach. But that doesn't mean that I don't think we have made a lot of progress, and you all have really made the progress.

Mr. Varney: Last question. You have been on the job just two weeks. What is the first issue that you're going to deal with?

Chairman Martin: The first issue? Whenever you're actually getting into a new position when there is a change in leadership, the first issue is always personnel. It's most important to make sure that you are bringing people that are going to be working with you on the issues that you need to address. The Commission has a lot of turn over in staffing. So the first issue you always end up having to deal with is the change in personnel.

Mr. Varney: Personnel? Fair enough. Mr. Regulator, these are the regulated, and I'm sure they all join me in thanking you very much for being with us today.

Chairman Martin. Thank you.

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