

Advancing the Information Society Through Human Capacity Building

Remarks of FCC Commissioner Kathleen Q. Abernathy

APEC TELMIN 6

Lima, Peru

June 2, 2005

(As prepared for delivery)

Thank you. It is a pleasure to be here with you today and to be a part of this important meeting.

We all recognize that broadband networks have the power to transform our societies. Broadband connections can erase distances, dissolve geographic isolation, link citizens to government services and energize local economies. Consumers are increasingly relying on broadband services for communication, education, health care, job opportunities, and entertainment, and the applications will only keep multiplying. In the United States, President Bush has embraced this vision of the future with his call for universal, affordable broadband access in the U.S. by 2007.

With this in mind, I'd like to talk about ways that we can create regulatory environments and workforces that help to harness these exciting developments in broadband network technologies to enable our societies to achieve the goals of the Information Society.

Broadband is the Future

Broadband unquestionably represents the future of communications. As you are aware, the use of the Internet and other packet-switched communications networks has undergone explosive growth. Of the nearly 700 million Internet users recorded globally last year, 332 million were added in just the three years since the beginning of this decade, and two-thirds were in developing economies.

Not surprisingly, broadband penetration is greatest in urban areas and among wealthier consumers, but the digital divide is closing pretty quickly. And broadband technologies have their greatest impact in rural and other remote places. My travels to isolated communities around the world have driven home the point that broadband has the power to make geographic isolation irrelevant. It brings a world of information to rural communities via the Internet, so school children have access to the same resources in the tiny village of Selawick, Alaska as in New York City. I am fortunate that my daughter lives in Washington, D.C., where there are libraries, museums, and other great resources. But as long as a community has a broadband Internet connection, even if it lacks funding for new books or is located in a remote place, it can use on-line tools to expose children to a vast quantity of material on any imaginable subject.

Broadband networks also give rural families access to improved health care opportunities. Health clinics in tiny villages can send video images to larger population centers so that patients can have a “virtual” visit with a medical specialist without having to travel long distances at great expense.

We are seeing broadband rollouts being pioneered all over the world. Governments from Bhutan to Brazil 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.

I am especially encouraged by the advent of new, low-cost broadband technologies. Each day it appears that there are more and more options for linking communities and individuals to each other and to the wider global community. These technologies — and many others that are sure to follow — will revolutionize our societies and help to close the “broadband divide” that exists within and among our economies. But their effects will be threatened or stunted if government fails to update licensing and regulatory frameworks or if we impose artificial barriers and disincentives to investment.

So how do we get from here to there? First, I would like to briefly touch upon some ideas that were developed this past December, at the Global Symposium of Regulators in Geneva. This year’s conference, which I had the honor to Chair, included representatives from over 100 countries and focused on challenges in the era of convergence of communications services. As an output of the conference, we all worked on and agreed to *Best Practice Guidelines for Achieving Low Cost Access to Broadband and Internet Connectivity*. I thought it might be helpful to walk through some of the highlights of this document with you. Second, I would like to share my thoughts with you on the importance of developing a highly trained staff and how the FCC has dedicated resources to improving the human capacity of its own workforce.

Best Practices Guidelines

In the Best Practice Guidelines, the GSR recommended that the promotion of access to low-cost broadband interconnectivity encompass a broad cross-section of interested parties — from identifying local, “grass-roots” needs in our communities to cultivating support at the highest levels of government. In this recommendation, we made clear that the broadband revolution is not an isolated project of each economy’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.

We also recognized 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 urged ministers and regulators to educate and inform consumers about the new services that will be available to them through broadband networks and digital services. We must empower our citizens with the skills they need to make full use of these new multimedia and computing applications. This will build communities of users and stimulate the kind of demand that will sustain broadband and IP-enabled services in all kinds of localities.

Building Human Capacity

But the success of these guidelines and policies is seriously compromised if countries and economies do not have well-trained public servants capable of adapting to technological change and industry trends. We need professionals who understand the dynamics of the new marketplace in an Information Society. As public servants, we must be able to distinguish when targeted regulations are necessary – to prevent anticompetitive behavior or to promote public policy goals. And we also must understand when NOT to impose outdated legacy rules to new platforms and services.

I have been fortunate in my career to work at the FCC, first at the staff level and now as a Commissioner. And I also had extensive contact with the FCC and other government agencies while working in the private sector. So I know first-hand the kinds of critical contributions public servants make to our societies. Collectively, public servants possess a wealth of knowledge and expertise that forms the backbone of the administrative state. Especially at an independent agency like the FCC – where there is a need for economic, legal, and engineering know-how – our staff has remarkably broad and deep expertise. Nevertheless, the rapid pace of technological innovation imposes rigorous demands on our staff to keep abreast of these developments.

As a result, the FCC, has dedicated significant resources to improving and training the FCC's workforce. We created something we call the FCC University to ensure that FCC staff have the necessary knowledge and skills to respond to the challenges of communications policy in the 21st century. Most notably, the FCC University includes the "Excellence in Engineering" Program," designed to recruit engineers, provide special training programs to educate and retain our technological experts, and improve the physical infrastructure used by the engineers for testing and other purposes. This type of independent technical expertise is crucial if governments are to make informed decisions. Also part of the FCC University is the so-called "Excellence in Economic Analysis" Program," which focuses on recruitment and retention of economic experts. In addition, the FCC University offers other in-house courses and tutorials, on-line training and university courses in various disciplines.

The United States has also reached out to share training, advice, and technical support with other governments. For example, we have an international visitors program at the FCC pursuant to which we host ministers and regulators from around the world for informal discussions about how the FCC – and the U.S. market – works. We talk about both our regulatory successes, but even more importantly, our regulatory failures. We've learned there is no single regulatory framework that meets the needs of all economies.

And for economies that are just starting down the regulatory path and are interested in more formal training, there is the United States Telecommunications Training Institute (USTTI), a non-profit joint venture between leaders of the US telecommunications, broadcast, and IT industries and ranking officials from the federal government. With the goal of sharing the latest communications, technological, and managerial developments around the world, the joint venture offers a broad selection of tuition-free training courses for qualified women and men who regulate and manage communications and IT infrastructures throughout the developing world.

But there is an important companion idea to all of this. Let me underscore my belief that a well-trained workforce fluent in the latest communications technology, economics and law does not mean there is an increased need or desire for heavy-handed regulation. Where possible, my strong preference is to rely on market forces in lieu of regulation. It may seem strange for a regulator to want less regulation. But I believe that experience in the U.S. makes crystal clear that regulators, no matter how smart or dedicated, cannot possibly allocate resources as efficiently or promote consumer welfare as effectively as fully functioning markets. This is particularly true in a rapidly changing technological environment, such as we have today. I recognize, of course, that competitive markets only develop over time and that geographic and economic factors play a significant role in when – and how – competition develops. But it should always be a goal. In fact, Congress had the wisdom to codify this principle: the preamble of the 1996 Telecom Act, backed by a number of substantive and procedural provisions, requires the FCC to construct a procompetitive, deregulatory framework to the greatest extent possible. Thus, whether one is a career public servant or a political appointee, it is important to bear in mind that a good regulator does not always promote additional regulation. To the contrary, where competition can supplant prescriptive mandates, regulators should look for ways to minimize regulatory oversight.

Conclusion

While we all acknowledge that the challenges to providing access to high-quality, low-cost telecommunications services to all citizens are formidable, the rewards are even greater. Technology creates new, low-cost opportunities for educating our children, providing health care to our citizens, and creating new jobs. We must seize this opportunity and deliver on the promise. In doing so, there is no better place to start than in developing human capacity.

It is my privilege to be here with you all today. Thank you.