

**Remarks of Commissioner Kathleen Q. Abernathy  
at  
Disruptive Technologies and Opportunities for Service  
Providers Panel  
2005 Telecoms Transition World Summit**

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(As prepared for delivery)

Thank you very much. It is a pleasure to be here today with you and be a part of this very timely conference on disruption and innovation in the telecom industry.

As an FCC Commissioner, I have been a witness to the convergence of formerly distinct regulatory silos and the resultant challenges that fall under the convergence rubric. To my mind, the regulatory debates being waged in the United States center on the same fundamental question, namely: In a world where multiple competitors offer bundles of IP-enabled services over broadband platforms — including voice, video, and data services — what is the appropriate regulatory framework? Should we continue to

apply traditional common carrier principles at the federal and state level to wireline telecom carriers and perhaps *extend* such requirements to other network owners, such as cable operators, wireless broadband providers, and BPL system operators? Or should policymakers phase out these traditional forms of regulation – with the old regulatory silos for wireline, wireless, cable, and satellite services – and adopt instead a far more streamlined regulatory framework that concentrates on core social policy obligations? I have consistently argued that the latter approach is more rational, better for the industry, and, most importantly, better for consumers. And I have tried to ensure that the FCC is moving in this direction in its proceedings on broadband networks, IP-enabled services, broadband Internet access services, and related matters.

I have spoken previously about what I call the Nascent Services Doctrine, which posits that we should apply a heavy presumption against extending legacy rules to new services and technologies such as Voice over IP. Policymakers and regulators

should foster the development of such services in a minimally regulated environment to promote facilities-based competition and other important goals. Eventually, leveling the playing field is necessary, but we should strive to do so by relaxing the legacy rules applied to incumbent providers — in other words, the existence of multiple facilities-based providers should enable us to “regulate down” rather than “regulating up.”

When I developed the Nascent Services Doctrine, I also made clear that I was not advocating complete freedom from regulation. Indeed, there are certain core social policy goals that are not market-driven and probably cannot be achieved without governmental urging, and perhaps mandates. For example, the FCC recently required certain providers of voice over Internet protocol phone service to supply enhanced 911 emergency calling capabilities to their customers as a mandatory feature of the service. And I also have been very pleased to see in the developing record of the FCC’s rulemaking on IP-enabled services that almost all parties support policies that would ensure access for

persons with disabilities, compliance with law enforcement surveillance requests, and the preservation of universal service.

And I also think policymakers need to rethink the *substantive* responsibilities undertaken by the regulator. The FCC in the future will need to revise its *functions* by reorienting itself from a rulemaking body to one focused on enforcement and consumer education. The movement away from economic regulation undoubtedly will translate into a substantial reduction in rulemaking activity. But with fewer prescriptive rules, there is a heightened need for stringent enforcement of the core mandates. This will produce a better, leaner model as the FCC focuses on the policies that are the most important and ensures strict compliance with them. In addition, I have spoken previously about the need for the FCC to continue to improve its consumer outreach and education efforts. Competition delivers tremendous benefits, but it also can confuse consumers as they are faced with unprecedented choices. The FCC plays a vital role in informing consumers of their rights and opportunities so that they can better navigate the

competitive marketplace. To borrow from a discount clothing chain, an educated consumer is our best customer.

In closing, I am truly excited by the limitless promise offered by these disruptive and innovative technologies – such as broadband communications networks and the IP services they support. When we look back at what has succeeded in promoting investment and innovation in the United States, it is clear that regulatory restraint is an essential ingredient. I look forward to participating in this panel discussion and to the opportunity to discuss these issues with many of you individually during the conference.