

*“A Rewrite for the 21st Century”
Tennessee Telecommunications Association*

*Commissioner Deborah Taylor Tate
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(Videotape)*

Thank you, Dana, for that kind introduction. Thank you to the Tennessee Telecommunications Association for this opportunity to speak to you today. I appreciate the efforts of Trevor Bonnstetter and Larry Drake in putting this program together. I apologize that I cannot be there in person, but I'm glad that I am still able to participate even if at a distance. Although my office is now in Washington, my husband Bill and I remain Nashville and Tennessee residents, so I hope that I will have the chance to see many of you in person during one of my visits home.

The subject of this year's meeting is the rewrite of the Telecommunications Act that is currently being discussed in Congress. As an FCC Commissioner, I have the opportunity to work with members of Congress all the time, and we frequently discuss many of the important issues facing the telecommunications industry. At the same time, I am not a member of Congress, so I will refrain from getting into the specifics of any one bill currently being considered.

I will say, however, that Tennessee telecommunications providers and Tennessee consumers are in good hands in Congress. It is a real privilege to see our congressional delegation in action up close. Hardly a week seems to go by when I am not discussing an issue with Senator Frist or Senator Alexander's office, whether it's public safety or the privacy of consumer information. Several of our Congressmen and women are working on important telecommunications bills, including Congresswoman Blackburn working on broadband and video franchising and Congressman Gordon on E-911.

I hope that you will take advantage of having such a strong congressional delegation and contact them and make them aware of the issues that are of concern to Tennesseans. Rewriting the Telecommunications Act for the 21st century is an enormous task, and it will affect the entire industry nationwide and, of course, every consumer.

To that end, although I won't get into specifics in any one bill, I would like to take this opportunity to mention some principles that I suggest should guide any rewrite of the Act and in general should guide FCC regulation.

1) American businesses must work in an environment that gives them the tools they need to compete in the global market.

The government needs to be a referee in the communications industry, making sure that everyone plays by fair and consistent rules; it should not be a coach, telling everyone how to play the game. A light regulatory touch promotes investment and encourages

competition, and competition is what drives industry to create the next great invention and keeps those inventions affordable for consumers. Regulation needs to ensure that competition is fair, but it also needs to let companies take into account their business plans and the economic realities they face and then let them go to work.

I believe in regulatory humility. Certainly there are times in which circumstances require regulatory action and enforcement, but we should be discriminating in exercising our authority. A light regulatory touch is particularly critical to encouraging the deployment and use of broadband. Promoting the deployment of broadband is one of my top priorities, and it is one of the top priorities of the FCC Chairman Martin as well. In fact, it is the first goal in the Chairman's five-year strategic plan for the FCC. I will quote directly from the strategic plan, which says, "All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation to ensure that broadband service providers have sufficient incentive to develop and offer such products and services."

Late last year – at the request of our own Senator Lamar Alexander – the National Academies produced a report called "Rising Above the Gathering Storm." The report was an analysis of what needed to be done to keep this country's competitive edge in the face of rapidly growing economies in China, India, Europe, and the rest of the world. That report found that the widespread availability of broadband services will spawn a new revolution in communication and services. The report went on to note that the production and use of information technology have been an important engine for U.S. economic expansion over the last decade. Information technology touches a wide array of industries – financial services, retail, entertainment, transportation, security, health care, education, and on and on. If these industries are going to compete against the rest of the world, then broadband is going to be crucial to their success.

We're making progress in reaching the goal of widespread broadband deployment. Broadband is spreading in the United States faster than the Internet, cell phones, VCRs, or color TV in the early years of their development. In 2005, broadband access was in 43 million homes – up from 2 million just 6 years earlier. In one year – June 2004 to June 2005 – new broadband subscriptions surged 60%. Tennessee has seen much of that growth as well. In a recent report released by the FCC, a survey found that Tennessee had more than 682,000 high-speed lines in June 2005 – up from just 66,000 high-speed lines in 1999.

A Telecommunications Act rewrite should recognize and build on these trends. A light regulatory touch has already shown itself to be effective. The National Telecommunications and Information Administration recently found that the FCC TRO loosening regulation resulted in more than \$6 billion in investment by Verizon and \$5 billion in investment by AT&T. That's \$11 billion by just two companies.

In addition, a new Telecommunications Act should not just promote deployment but also encourage subscription. It does no good to have broadband deployed to every home in

the county if no one is going to subscribe to it. 32% of home computers are still hooked to the Internet using dial-up service. The result is that many consumers are missing the important resources available to them via high-speed Internet service. News and information, educational services, health care, and more have made broadband an essential service in American homes. Government and industry must be teaming together to help consumers recognize the value of broadband and to make it easier for consumers to get it in their homes.

2) Another important principle that should guide a new Telecommunications Act is the recognition that communications technology plays a critical role in the health and well-being of our children and families.

I am still struck every day by the sheer number of issues from all sectors of the economy that the FCC must consider. It is very clear that even though many Americans may not have heard of the FCC, the fact of the matter is that the FCC deals with issues that affect every American, every day. In particular, much of the technology we regulate is used by or influences children. One of my personal goals has been and will continue to be championing issues affecting children and families. Without question our nation's most valuable resource is our children's minds. As Congress considers a new Telecommunications Act it will almost certainly be reviewing how TV, other media, and the Internet affect children. I hope that part of that discussion will focus on how media can POSITIVELY affect our children – from uplifting messages to healthier lifestyles. Wouldn't it be incredible if we could harness the power of the media to help us cut the problem of childhood obesity in half?

I have already mentioned the importance of broadband deployment to business, but it's also very important to families. Broadband in schools brings new technology and new resources to rural and low-income students. Tennessee is a great example of this because it was the first state to connect every school and library to broadband thanks to the E-Rate program. Broadband also allows hospitals to provide the most up-to-date care and consult experts thousands of miles away at the push of a button. I hope to be working on rural health care initiatives and invite your thoughts and ideas to bring needed medical expertise to rural America.

In short, any Act should take into account issues affecting children, families, and consumers with disabilities so that no matter where you live, you have access to new technologies.

3) The third principle that should guide telecommunications law and policy in the 21st century is recognizing the importance of communications in keeping Americans safe.

Hurricane Katrina and the recent tornadoes in Gallatin are further reminders that we live in a very unpredictable world. Our ability to respond quickly and efficiently to a crisis depends on our ability to communicate with one another. In the immediate aftermath of Hurricane Katrina, the FCC worked round-the-clock to make sure that communications

providers had the ability to get telephones and radios working again. It was a tremendous effort, and the Chairman has since committed to creating an entirely new Homeland Security bureau at the FCC devoted to these issues.

I fully support Chairman Martin's efforts in this regard. The faster you can get your phone lines back in action, the faster governors and first responders can get up-to-date information, and the quicker individuals can call for help or get in touch with their loved ones. The FCC needs to be prepared to act quickly to grant waivers and give you the freedom you need to restore services in hard-hit areas. Chairman Martin has also established an independent panel to review the Katrina response and recommend ways to build upon and improve the FCC's response to such disasters.

In addition, I will be working to help the FCC prepare for the possibility of other disasters - from weather-related to a flu pandemic. The Department of Health and Human Services has predicted that the federal government and private businesses could expect to have as much as 40% of their workforce out of work in the event of a flu pandemic. Schools would be closed, hospitals would be overwhelmed, and people would be asked to work from home. The ability to work from home is going to depend on the ability to of our communications networks to handle the increased load. The FCC needs to be thinking now about how to help you meet that increased demand, and I will be working with my fellow Commissioners to see that you have the resources to respond in the event of such a crisis.

Apart from even these extraordinary events, people rely on our communications networks for day-to-day emergency and security needs. A new Telecommunications Act will need to recognize that as technologies change, consumers are still going to demand that the telecommunications industry provide the same level of service in terms of public safety that we have all come to expect. That means that consumers will be counting on 911 to be able to locate them if they call for help, or they will be counting on the FBI to execute wiretaps when a court authorizes them to, or they will be counting on their burglar alarm alerting the call center when their house is broken into. Congress and the FCC will need to work with you providers to help make sure that the transition to new technologies doesn't undermine services that people rely on for their safety and security.

I believe that by sticking with these three principles, Congress and the FCC can help to shape a communications regulatory landscape that moves us forward in the 21st century. Our role is – and should be – limited, however. The government should be giving you the room you need to innovate and to take us places with communications technology that we never imagined possible.

Thank you for the opportunity to participate in this Spring TTA Business Meeting. I look forward to hearing from you on important issues. I pledge to work here at the FCC to help ensure you and U.S. businesses in every sector have access to the tools necessary to compete globally; to work to create and maintain a regulatory landscape that is fair and technology neutral; and to work together with you to ensure the safety and security of your customers and, indeed, all Americans across our great country. Thank you.