

Remarks to the Rural Cellular Association

Commissioner Deborah Taylor Tate

May 9, 2006

(Video Tape)

Thank you for the opportunity to speak to you today. 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. I'm also glad that I have a chance to talk to rural wireless providers like you. Coming from Tennessee, I gained a real appreciation of just how valuable a service rural carriers provide. You are the people that make sure that service gets to the end of that dirt road or to that farmhouse deep in the heart of the country.

Wireless providers, like everyone else, are experiencing the same rapid changes in how they do business. I bet that when many of you entered the business of providing cellular service, you never imagined that a cell phone might also be a camera and an Internet browser. Now, we take that for granted, and meanwhile our cell phones are becoming even more versatile. Several companies have announced that they will be partnering with cellular carriers to provide news, sports, and entertainment television clips to your cell phone. Others have announced special phone services for kids so that parents can track their child's location. And that's just the

beginning. A company called Docomo in Japan is selling a smart phone that does everything from open your garage door to let you pay for groceries without even taking your credit card out of your wallet.

With new innovation comes new responsibility, and I hope that the FCC can be a resource to help you navigate the regulatory issues that will arise as wireless carriers like you start to offer more services. As a Commissioner, I want to encourage you to continue to innovate and create the next great new product. In particular, I want to encourage you to play a role in the rollout of broadband to more consumers. Wireless providers will be critical to getting broadband out to that last, most difficult mile. To that end, I believe that the FCC must use a light regulatory touch that gives you the freedom to try new ideas and deploy new technology. The FCC should be concerned with ensuring fair competition and allowing the market to work effectively. In short, the FCC should be a referee, making sure everyone plays by the rules; not a coach telling everyone how to play the game.

I also want to take a moment to address universal service. As Chairman of the Joint-Board, I will be deeply involved in discussions of the issues surrounding the Universal Service Fund.

Chairman Martin has taken the lead in calling on us to look at comprehensive reform of the Universal Service Fund and its administration -- from who contributes and how, to how the fund is disbursed. There is no one solution to the problems plaguing the Fund, but there are a number of ideas out there including fixing the USF collection mechanism, limiting some rural areas to just one carrier of last resort eligible for USF support, establishing separate funding mechanisms for wireline and wireless carriers, and reforming intercarrier compensation. Rural wireless providers, who, by some accounts, receive nearly \$1 billion under the current rules, need to do their part in helping us reach a balanced solution that is in the best interests of all Americans.

I hope each of you, and all of you as an association, will help us to consider these issues from the most important perspective of all – the perspective of consumers – whether Americans who pay into the Fund or Americans who benefit, often unknowingly, from the Fund. The ultimate solution isn't necessarily the one that benefits any one company or group of providers the most, but one that achieves a balancing of interests, and the most efficient and effective use of the Fund. We must keep in mind that the Universal Service Fund is not yours, or ours, but is money that has been entrusted to us to use wisely in furthering a public interest

Congress has identified. We shouldn't see reform, or change, as a threat to the status quo, but as an incentive to work together to tap the potential of our collective resources to provide access to communication services and solutions for all Americans.

I appreciate the opportunity to send this message to you today. I hope that you have a fun and productive convention, and I look forward to working with you all while I am here at the FCC.

Thank you.