REMARKS OF
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Good afternoon. Thank you for your welcome today and for the opportunity to come back to Michigan. I am particularly pleased to be here in the company of my friend, Congressman Bart Stupak. Simply put, I just think he's among the best and the brightest our country has to offer. He's smart—really smart and I don't have to tell you that. He's dedicated to serving and to finding practical solutions to difficult problems. And he knows how to bring folks together to accomplish good things. He's a committed champion for Michigan and a real authority on the communications issues that I spend my time on. Whether it's promoting broadband for rural America, ensuring interoperable devices for public safety, fighting for more local voices in the media that serve the UP, or making sure the DTV transition is successful, your Congressman is a tireless advocate for the citizens of Michigan and for all Americans. You're fortunate to have him. You're fortunate, in fact, to be blessed with so many fine public servants in Congress from Michigan. Folks like John Dingell and Carl Levin and John Conyers are among the nation's most senior statesmen. And younger Members like Sen. Stabenow, Fred Upton and Mike Rogers are also tremendously influential.

I said that I am pleased to come back to Michigan. This is actually very special for me because I have a life-long affinity for this state, particularly, I have to say, for the Upper Peninsula. Some of my happiest memories concern that place. Although I was born and raised across the lake in Milwaukee, my Dad had business property in the U.P. and the need to go there several times each year. We went always to a little town called Felch. How many of you know Felch? Well, it's home to warm and glowing memories for me. Felch is about 25 miles northeast of Iron Mountain, but it was just this side of Heaven for a young kid who liked to trout fish, go bird hunting and then—glory of glories each November 15—move into a little cabin in the woods my Dad built—I even got to help build it—for the opening day of Deer Season. I remember we'd be out on a usually snowy stand by sun-up, either at an old logging cross-roads or standing by while my Dad and his pals did a "drive" through the woods, and then, after dark, we'd go back to the fellowship of the camp—Camp Fork Horn we called that little cabin in the forest. Every couple of days we'd go over to where my Dad's mine superintendent lived in the company house to enjoy the luxuries of indoor plumbing, running water, a hot shower, electric lights, and listening to the radio. Those were days to cherish, and every time I go back—which isn't nearly often enough, I prove Thomas Wolfe wrong—you can go home again. So thanks again for inviting me.

Before jumping into the topic of the day, for those of you who don't eat, live and breathe the Federal Communications Commission every day of your lives, I should spend just a minute describing the place I work and how it fits into what you are talking about. As I'm certain most of you know, the FCC is an independent regulatory body. We oversee in varying ways—and those various levels of involvement are arguably part of

the problem—telephone, cable, wireless, broadcast and satellite communications. There are five Commissioners—three from the President's party, two from the loyal opposition. I am on the minority side right now. We conduct our business—which includes the licensing of spectrum, rulemaking and adjudicating disputes—through open proceedings in which any citizen can participate, at least that's the theory. Our job is to implement the communications laws passed by Congress and signed by the President.

It's an exciting place to be. I'll tell you at the outset that I am a true believer in the future of communications technologies and services. I was an optimist about the future of telecom even when the bubble burst a few years ago, believing that they would not only come back, but they would come back with sufficient force to lead our economic development in the 21st century. I believe that more than ever today. We have come a long way in telecom since I was a boy growing up here. When I went to Felch and wanted to call my folks back in Milwaukee, I went to the general store and cranked up the telephone that was mounted on the wall. It's mind-bending to compare that with the tools we communicate with today—wireless, Wi-Fi, WiMax, broadband, digital broadcasting, cognitive radio, and interactive media. But I think even all this great progress is just the beginning. I don't believe we've seen the tenth of what's coming yet. Because what is coming down the road is going to make all of the dramatic telecommunications changes of the past century—and they were dramatic—pale by comparison.

Not to long ago, I participated in a demonstration of Internet 2 which is a dedicated, ultra high-speed broadband network used by a consortium of leading-edge businesses and universities. Sitting in an office in Washington, DC, I actually "drove" a camera exploring the ocean floor in Monterey Bay, moving it wherever I wanted it to go. That was a voyage of discovery for me in more ways than one. Then they told me to don three-dimensional goggles, and I went on to perform long-distance knee surgery, with my hand holding a scalpel guided by specialists in California and Australia. Don't worry, it wasn't a real patient, but it was a totally realistic experience. So there are truly incredible things happening. And in a state as vibrant as Michigan, just think of the tremendous impact these changes will have on our lives, our jobs, and our industries.

Since I joined the Commission in 2001 the principle of universal service has been my guide—to bring the best, most accessible and cost-effective communications system in the world to all of our people—and I mean ***all*** of our people. We can't afford to leave anybody behind in this great new age of high speed communications. That means those who live in rural America, those who live in the inner city and those who live on tribal lands; it means not just the affluent and privileged, but those who are economically disadvantaged and those with disabilities. Each and every citizen of this great country should have access to the wonders of communications. I'm not talking about doing all these people a favor by including them; I'm talking about doing America a favor.

Today, having access to advanced communications is every bit as important as access to basic telephone services was in the past. Providing meaningful access to high speed broadband for all of our citizens may well spell the difference between stagnation

and economic revitalization—for Michigan, and for our country. And the difference between having a chance or being left behind for millions of our fellow citizens. We all know that broadband is already becoming key to our systems of education and commerce and jobs and entertainment and therefore, key to our future. We are seeing technologies for telecommuting, telemedicine, tele-goodness-knows-what's-next. And perhaps nowhere do these applications hold so much promise as they do for rural communities like those here in Michigan. That's because they collapse distance by bringing the best resources in the land, sometimes from thousands of miles away, to our rural schools and businesses and homes.

The way I see it, broadband is really the great infrastructure challenge of our time. You know, if you course back through the annals of our nation's history, you will find that just about every major era has had its own major infrastructure challenge. In the very early days, as settlers streamed out beyond the Eastern Seaboard, the challenge was to get the produce and products they made to market. We needed roads and turnpikes and bridges and canals; we needed ports and harbor improvements; and, working together—the people, communities and their government—we got the job done. Then, as we became a continental and industrial power, the need of the era was to lay a railway grid across the country, climaxed by the great saga of the Transcontinental railroads. Closer to our own era, in the Eisenhower years, came the Interstate Highway System. Even in telecom, we found a way to get basic telephone service out to most of our citizens. Here is my point: in all of these great infrastructure build-outs, there has always been a critical role for the private sector and the public sector to work together toward a great national objective—citizens, entrepreneurs, local community organizations and the various levels of government pulling together for the common good. We didn't just throw up our hands and say "Leave it to somebody else." We didn't let sometimes mindless debates about "regulation vs. deregulation" keep us from doing what had to be done. Nor did we say that any one sector had the capacity to meet these huge national ambitions all by itself. No, instead we worked together. You know, we rightly value that great Declaration of Independence and that glorious fight for freedom back in 1776, but it was millions of Americans making a declaration of ***interdependence,*** one upon the other, that built the greatest nation in history.

To me, broadband networks are the turnpikes and roads and canals and railroads and highways of the Information Age. I believe that our future will be hugely impacted by how we master, or fail to master, advanced communications networks and how quickly and how well we build out high speed communications connectivity. And I believe that if we succeed, we will create millions upon millions of new economic, job and educational opportunities. We will see new local businesses—and local governments, too—providing high-value services all around this country of ours. We will advance medical care through the development and delivery of new health services. We will ensure that schools and libraries are huge digital resources for their communities. In these and so many other ways—ways that we don't even glimpse yet—we will harness a host of new technologies and services for the benefit of every American.

Those who get access to high-speed broadband will win. Those who don't will lose. It's as simple as that. I want to make sure we all get there, and that America's rural communities get there as soon as everyone else. I'll tell you another thing I'm convinced of: if high speed broadband is permitted to remain more an urban phenomenon, the digital gap in this country that already separates urban and rural America will grow still wider, and we could find that rural America will be relatively worse off in the Twenty-first century of modern communications than it was in the days of plain old telephone service in the last century. We just cannot and must not let that happen. The competitive world in which we and our children will live is not going to make time for rural Michigan to catch up. That may sound harsh, but it's also true.

A few facts demonstrate how far we have to go. This is sobering. The OECD recently ranked the United States Number 15 among the nations of the world in broadband penetration, down from 12th in 2006. In 2001, that same organization ranked us 4th. Other studies conducted by various international organizations, industry associations, think tanks, and business analysts put the United States at 21st, 24th or 25th. No matter how you slice it, by nearly every measure the U.S. is many rungs too low, and it comes at too high a cost if our small-town businesses enter the digital economy and our students enter the digital classroom at dial-up speeds. I'm told that Michigan is ranked 35th out of 50 states when it comes to broadband penetration, with only 37% of households subscribing to broadband. Even more startling is the fact that in many parts of Michigan, it's tough just to get a broadband connection: by some estimates only 25% of the rural population in Michigan is able to do so. I'm anxious to learn how Felch is faring—I'll bet not so well. When I look at these numbers, I can't help but think about how my old boss, Senator Fritz Hollings of South Carolina used to say, when he was talking about a major problem, how "the ox is in the ditch." Well, our ox is in the broadband ditch, and we'd better come up with a plan real soon to get that ox out of there—because he's bad stuck right now.

Here's the problem. We don't have a strategy to get the ox out. We don't have a policy that brings together the creativity and innovation of business, federal, state and community stakeholders. We are, as far as I can find, the only industrial country on the face of God's green earth without a broadband strategy. That's why we're so far behind. Some folks say not to worry, we're only behind because in Japan and Korea, everyone lives in high rise apartments, the population density is so different, and we'll catch up eventually. I don't buy that argument. Norway, Sweden, Finland, our Canadian neighbor to the north—they have lower population densities than we do and they're cleaning our clock, too. Maybe it's because they did some things differently. Maybe different competition policies? Maybe better incentives to build the infrastructure? Who knows—maybe they decided to have a broadband strategy in each of those countries?

The important question, of course, is what can we do about all this? I don't happen to think there is a one-size-fits-all, silver bullet broadband solution for this country. And I'm not saying that what worked somewhere else is necessarily going to work here—although we ought to be studying and learning from what others do because

there just might be some valuable lessons there for us. The rural Upper Peninsula will likely require a different approach than dense urban centers like Detroit. There are great differences—in population, culture and topography across this vast land of ours. So we probably need to embrace all kinds of solutions if we really want to get that ox out of the ditch. But isn't experimentation, innovation and creativity what we're all about?

In the first instance, we always look to the market to deliver broadband. That's the way it should be. Private enterprise is the locomotive of America's success. But if the market isn't delivering the goods—and sometimes it doesn't—then we need to expand our thinking. For some communities, that might mean looking at municipal broadband. Lots of places rightly continue to do that even though a few have run into problems. And that's surely not the only road to head down. There are other models. Some communities are entering into public and private partnerships with companies and carriers that can help them bring home the broadband bits. Others are developing cooperatives to aggregate demand for business and residential broadband, making the case for commercial deployment in rural areas more attractive. Again, there's not a one-size-fits-all approach here. Each community needs to evaluate its own needs and abilities. The point is to welcome and encourage that kind of local creativity and innovation—it's as American as apple pie. Remember, that's how we built the place. And your towns and communities can look across the country and find models for action to get the build-out done.

We should also be open to a variety of technologies. FCC statistics suggest that together DSL and cable technologies account for 96 percent of all broadband. We need to embrace more than just these two technologies if we wish to succeed and wish to assure consumers of the benefits of real competition. That means not just more fiber deployment, but freeing up wireless spectrum and considering the use of white spaces—empty channels on the public airwaves that have the potential to be a dynamic source of broadband in just a few years time.

So how do we turn things around? What is that comprehensive national strategy. First it must begin with a strong commitment from the very top that broadband is our national infrastructure priority. We need everyone to understand this is a national priority. We need not just an objective of universal broadband, but the strategy and tactics to get the job done. That means all of us, both private and public. That means all the relevant departments of government cooperating to encourage broadband deployment, And it means using whatever mix of grants and incentives that Congress deems appropriate.

There is an important role for the FCC, too. The Commission owes Congress and the country more than they are getting. First, better data. The Commission still unbelievably defines "broadband" as 200 kilobits per second. How 1997 that sounds! The Commission still assumes that if one person in a ZIP code has broadband, everyone else must, too. That's like going to Detroit, seeing someone driving around in a brand new Cadillac, and concluding that because one person drives a Caddy, everyone there must drive a Caddy. Same logic. We need better mapping of who has what, where and

at what price. We need better definitions of speed. We need a lot. And let's also study what other nations are doing and see if there are things that might work here.

Second, the FCC needs to use its statutory authority to get advanced communications out to everyone. To me that clearly means broadband, but the Commission doesn't always act like it believes the same. We could also act as a clearinghouse for all the broadband innovation and experimentation that's occurring outside the Beltway. I've recently attended broadband summits and met with local experts and small business owners in Cambridge, Massachusetts; Portland, Maine; Lawrence, Kansas; Little Rock, Arkansas; and all around the country. I've learned that our diverse and varied nation has immense reserves of local creativity. It's time to start sharing—and encouraging—that creativity, and to provide a place where communities can go to find out what's working and what isn't. Think of the time and money that would save strapped cities and towns.

Third, the FCC needs to bring competition back into its telecom policies. For example, the GAO has demonstrated that the FCC's deregulatory policies and its approval of one big merger after another have saddled small businesses with increased costs, like special access prices—which are the prices typically charged to business customers and competitive providers for bulk phone and broadband services. The Commission is scheduled to act on special access soon. I hope I can find a majority willing to stand up for entrepreneurs—and ultimately American consumers—not just incumbent phone companies.

Fourth, we need to support broadband with the Universal Service Fund. It worked for plain old telephone service and it will work here. I am delighted that the Federal-State Joint Board recently agreed with me that broadband must be the mission of the USF for the 21st Century. We need to make this happen soon. Congress gave the FCC considerable authority to get broadband out to all of our people. We need to use that authority more aggressively—now.

Not long ago, I had an opportunity to visit some truly remote villages in Alaska. I had the opportunity to visit Manokotak, along the Igushik River. Towns like this give new meaning to remote. It's a Yup'ik Eskimo village far away from any road system. The way in and out is on a tiny plane that lands on a small patch of gravel, surrounded by mountain peaks. Fishing dominates the subsistence economy. But Manokotak has broadband. Satellite dishes dot the homes. So locals who have craft skills are now in contact with distributors in Anchorage who sell their products. There's a telehealth facility in town, where isolated patients—little kids—can be examined by doctors hundreds of miles away and be treated without having to be airlifted out. Then there's the school. In Manokotak, the students have broadband—and they were using that connection to carry on a conversation in real time with the crew of the International Space Station orbiting far overhead. They still have a long ways to go, to be sure, but if we can make a difference there, think what a difference we can make right here.

This is our challenge. We have to do this—and much more—all over America. So I applaud everyone who is here working to bring broadband to the U.P. and to all Michigan. I know there are many challenges. But I am an optimist. I'm an optimist about all the paradigm-creating new technologies becoming available to us. I'm an optimist about our people and their ability, once they have the facts, to generally steer this country where it needs to go. And I am an optimist about the ability of those of you in this room, pulling and hauling together, to make sure that in the broadband revolution of our time no community and no one is left behind. I look forward to working with you, and with Congressman Stupak, to make it happen.

Thank you for your attention and your wonderful hospitality.