

**Statement of Commissioner Deborah Taylor Tate
At *En Banc* Hearing on
Broadband Network Management Practices
Cambridge, MA
February 25, 2008**

Thank you Congressman Markey for launching this important forum today, Chairman Martin for your leadership and Harvard Law School and the Berkman Center for hosting this important and historic event. On the freedom trail, from Boston Common to Bunker Hill, there are numerous reminders of the revolution and the birth of America. It is fitting that against this rich historic backdrop we today hold a hearing to examine a matter that transcends today and looks toward our future in this dazzling, dynamic Digital Age.

Broadband technology is truly the driver of growth across so many sectors of the American economy. The ability to share large amounts of information at ever-greater speeds increases productivity, facilitates commerce, and drives innovation. Broadband is revolutionizing how we communicate, how, where and when we work, how we educate our children, the delivery of healthcare and public safety as well as how we entertain ourselves. Broadband is particularly critical in rural areas, where advanced communications can shrink the distances that isolate remote communities.

It is important to acknowledge the revolution occurring in the broadband marketplace as true convergence has become a reality- with the Internet breaking down the barriers that previously separated networks. Telecommunications companies are deploying next generation fiber

networks. Cable operators continue to upgrade their networks to enable them to offer digital video, broadband and voice service. Wireless carriers are upgrading their networks and acquiring spectrum to enable them to offer all these services in the palm of your hand.

With the widespread deployment of broadband, the type and level of Internet traffic is changing dramatically. Trends recently unfolding like YouTube, My Space, IPTV, high definition, and online worldwide gaming are flooding the Internet. One researcher recently reported that in December 2007 a record 10 billion videos were viewed online.¹ The largest U.S. broadband provider says consumer broadband traffic on its network has doubled in the last two years alone- and broadband customers are using 40% more bandwidth per year. One report estimates that the amount of information transmitted across the Internet in the U.S. will be 50 times larger by 2015, equal to 50 million Libraries of Congress.²

I believe that the continued and complete deployment of broadband across this nation, should be our number one focus, indeed Congress requires this: to provide incentives for investment in broadband facilities and encourage broadband deployment.³ Investment in new infrastructure is more vital than ever for the future of the Internet with the looming “exaflood.”⁴ To that end I have worked to remove legacy regulations to increase incentives for investment in new infrastructure, allowing services, applications and

¹ comScore December 2007 Report, <http://www.comscore.com/press/release.asp?press=2051>

² Bret Swanson and George Gilder, *Estimating the Exaflood- The Impact of Video and Rich Media on the Internet*, Discovery Institute, January 2008.

³ 47 U.S.C. § 157.

⁴ Bruce Mehlman and Larry Irving, *Bring on the Exaflood!*, Washington Post, A31 (May 24, 2007)

business plans to develop and proliferate in a less regulatory environment. And they have.

When it comes to the Internet, we must strive to make decisions taking a carefully balanced approach, providing the appropriate regulatory relief which resolves the specific “harm”; allowing networks and carriers to respond to marketplace demands efficiently and effectively; ensuring that consumers are informed and protected and competition is encouraged through the least intrusive and least costly regulatory action.

We must not stand in the way of the next revolution: the broadband revolution.

Today, I look forward to hearing from you, the experts. Thank you to our esteemed panelists: broadband providers, technology innovators, professors, and representatives of public policy entities.

The widespread deployment of peer-to-peer technologies holds tremendous and almost unlimited promise to allow networks to run more efficiently. That said, like any tool or technology, it can also be misused. Since arriving at the Commission, I have tried to be a voice for children and families, and continue to be that here today as I encourage all of you to adopt policies and tools in order for parents and caregivers to be able to provide a safe environment on-line as well as off-line. I continue to be concerned about the amount and type of illegal and dangerous online activities, which put our children in harm’s way.

Being from Nashville-Music City- I would be remiss if I also did not mention another group of consumers who are not represented here today- our creative community: the producers, the writers, the artists who are watching their industries and their art literally vanish into thin air by those who would misuse the very infrastructure that we are here to discuss today. Two-thirds of the 20 billion illegal downloads worldwide each year are of U.S. recorded music. In Tennessee alone, we've suffered \$203 million in lost earnings due to piracy. My hope is that we do not allow those who seek regulatory protection for illegal activities to prevail by hiding beneath the honored word of "freedom." I hope you all will address how to combat the drain of approximately \$12.5 billion dollars from our economy each year and the impact on thousands of Americans who are our nation's- indeed the world's- storytellers.⁵ We as policymakers need to work toward creative solutions that allow society to realize the benefits of new and as yet undiscovered network architectures as they occur-- like peer-to-peer--- without impoverishing the creative hearts and minds that helped generate our nation's rich cultural heritage.

Thank you and I appreciate everyone who is helping to shape this important public policy debate as we attempt to find the right balance in order to provide all our citizens the vast opportunities of the broadband world of today to compete in the global economy of tomorrow.

⁵ Stephen E. Siwek, *The True Cost of Sound Recording Piracy to the U.S. Economy*, Institute for Policy Innovation, August 2007.