

**Remarks of
Chairman Kevin Martin of the
U.S. Federal Communications Commission
at the Plenary Session of the
OECD Ministerial Meeting on the
Future of the Internet Economy
Seoul, Korea
June 17, 2008**

Excellencies, distinguished delegates, ladies and gentlemen – it is a privilege for me to address this Plenary Session of the OECD Ministerial Meeting on the Future of the Internet Economy. I am truly honored to speak to the many Communication Ministers who have gathered here today.

I would like especially to thank the Republic of Korea and, in particular, Chairman Choi of the Korean Communications Commission for hosting this exciting event in the city of Seoul.

This Ministerial Meeting provides an important forum to discuss policies to foster an enabling environment for the Internet Economy. The Internet has become an increasingly critical driver of both economic growth and social development.

Over the past decade, the Internet has had a powerful impact on the economy and the lives of American citizens. We have witnessed the fruits of increased innovation, entrepreneurship, and competition that this technology has helped deliver.

As policymakers, it is our duty to promote and preserve the vibrant and open character of the Internet as the telecommunications marketplace enters the broadband age.

During my tenure as Chairman of the Federal Communications Commission, I have worked to create a regulatory environment that promotes investment in infrastructure and innovation.

We have worked to set common rules so that all players can compete on a level playing field. An overarching priority has been to maintain an open and dynamic Internet that will continue to be an engine of productivity and innovation that benefits people around the world.

The Internet and Communications Industry Have Led to Significant Benefits for US Economy and Our Daily Lives

The Internet and communications industry are vitally important to the U.S. economy. The ability to share increasing amounts of information, at greater and greater speeds, increases productivity, facilitates commerce and helps drive innovation.

But perhaps most important, the Internet has the potential to affect almost every aspect of our lives – how we communicate with each other, where we work, how we educate our children, how we entertain ourselves and how we receive our healthcare.

As you well know, the communications industry is in a time of unprecedented change. Technological advances, converging business models and the digitalization of services create unparalleled opportunities and considerable challenges.

It is difficult to predict what the communications landscape will look like twenty-five, ten or even five years from now – as nobody could have predicted where we would be today.

People want access to all kinds of information – the Internet, e-mail, photos, music and videos – at any time and from any location. In this fast-paced technological environment, regulations struggle to keep up.

To Take Advantage of the Internet, Consumers Need Broadband Connections

To fully appreciate and take advantage of the Internet today, consumers need faster broadband connections. Without this underlying infrastructure, efforts to implement advances in how we communicate, work, and provide education, cannot succeed.

Every economy must make its own domestic decision on broadband policy. My experience has been that the competitive marketplace, not regulation, promotes the greatest investment in and most sustainable access to broadband.

I have made and continue to make decisions at the FCC based on a fundamental belief that a robust, competitive marketplace, not regulation, is the best method of delivering the benefits of choice, innovation, and affordability for American consumers.

Competition drives prices down and spurs innovation and affordability for consumers.

In the United States, we have developed a number of policies to encourage the deployment of broadband. For example, we have removed regulatory obstacles that discouraged infrastructure investment and slowed deployment.

We removed legacy regulation such as tariffs, price controls, and wholesale unbundling on new fiber investment. We encouraged carriers to invest in infrastructure in an environment free of economic regulation.

We streamlined the state and local franchise process for new entrants. And we have banned exclusive contracts in apartment buildings to spur competition.

Moreover, we have wired nearly 100 percent of all public schools with Internet connections.

We initiated a nationwide effort to connect every hospital and rural health care clinic. The networks will connect over 6,000 healthcare providers across the United States.

Broadband infrastructure for healthcare will be particularly important to those living in rural areas where access to healthcare, particularly specialty care, is limited.

We have just completed the largest auction in FCC history, raising nearly \$20 billion dollars. This spectrum is ideally suited to broadband. We auctioned approximately 50 megahertz in the 700 MHz Band – spectrum that is being freed up for new uses as a result of the digital television transition in the United States. This technology is cost-effective to deploy not just in the big cities, but in the rural areas as well.

We hope that the build-out of wireless broadband networks in this spectrum will provide the United States with a significant opportunity to facilitate the deployment of a third wireless broadband “pipe.”

Affordability is a key factor in ensuring access to the Internet via broadband. To this end, President Bush signed the "Internet Tax Freedom Act of 2007, "extending the moratorium on State and local government Internet access taxes on electronic commerce – keeping the Internet free of multiple or discriminatory taxes for the next seven years.

Success of Policies Reflected in Broadband and Internet Activity Growth

We have seen dramatic growth in high speed lines in the United States. Since 2000, the number of high speed lines has grown from just over four million lines to over 100 million lines. During the first half of 2007 alone, high speed lines increased by 22 percent, from over 82 million to more than 100 million lines.

The U.S. has the largest broadband market in the world, but there are people who are unable to subscribe today because of the cost. I have proposed that the Commission conduct its next spectrum auction with a requirement that the winner offer a life-line basic lower speed service for free.

Promoting and Preserving Open Internet

While we pursue policies to spur competition among broadband platforms, we must also work to preserve and promote the open character of the Internet. Most recently, the Commission required that the winners of a piece of the 700 MHz spectrum have a more open wireless broadband platform, one that was open to any device or application.

The Commission has also adopted an Internet Policy Statement containing four principles. Our goal was to clarify how we would evaluate broadband Internet practices on a going forward basis. We established four consumer-based principles:

- (1) Consumers are entitled to access the lawful Internet content of their choice;
- (2) Consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement;

- (3) Consumers are entitled to connect their choice of legal devices that do not harm the network; and
- (4) Consumers are entitled to competition among network providers, application and service providers, and content providers.

In adopting these principles, we were seeking to protect consumers' access to content of their choice – fostering the creation, adoption and use of broadband Internet content, applications and services, and ensuring that consumers benefit from that innovation.

Broadband Internet access is a key driver of economic growth – increasing productivity, facilitating commerce and fostering innovation. More importantly, though, the Internet is playing an increasingly important role in shaping all aspects of the lives of our citizens, and holds the promise of creating a brighter future for all.

What started as a small-scale, experimental system of links among U.S. academic institutions is now a global network connecting users from any access point, regardless of borders. The Internet and the variety of applications that it supports have grown as a result of the innovative investment of the technology community and the entrepreneurial investment of business and industry.

We should strive to provide a regulatory environment that promotes competition, fosters investment in broadband networks and infrastructure, and drives innovation. And, we must do so while expanding affordable access and sustaining an open Internet. By doing so, we afford technology innovators and end users the freedom to shape the Internet Economy of today and tomorrow.

Thank you.