

Opening Statement of FCC Chairman Kevin J. Martin
Public En Banc Hearing on Broadband and the Digital Future
Carnegie Mellon University, Pittsburgh, Pennsylvania
July 21, 2008

(As Prepared for Delivery)

I am pleased to be here today, along with my fellow Commissioners, Congressman Doyle, and our witnesses to explore issues related to broadband and the digital future. As our witness list demonstrates, Pittsburgh is a center of technological innovation.

Technology today touches almost every aspect of our lives. We are dependent upon it for our education, our news, and our entertainment. People want access to all kinds of information – the Internet, e-mail, photos, music and videos – at any time and from any location. It's an exciting time in the media and telecommunications industries – but it is also a challenging one.

Broadband could be the key to our digital future – offering competitive alternatives and providing more opportunities for new and independent voices to be heard.

But to enjoy these benefits we need to create a regulatory environment that promotes investment in broadband infrastructure and innovation, while expanding affordable access and sustaining an open Internet.

IP technology holds the promise for competition in the video market. IP video could provide an alternative to the cable “pipe.” Indeed, Intel would like us to require cable operators to provide an IP interface on high-definition set-top boxes, which would facilitate the delivery of IP video to millions of homes around the country.

And the cable industry needs competition. Over the last decade, consumers have seen their cable bills double. At the same time, the costs for all other communications services have declined.

To fully appreciate and take advantage of IP technologies, however, consumers need broadband Internet access. Without this underlying infrastructure, efforts to implement advances in how we communicate, work, and provide health and education, cannot succeed.

We have made significant progress on this point. The Commission has acted to remove regulatory barriers and promote broadband deployment, and the result has been a significant increase in the number of Americans subscribing to broadband at the same time that the price for broadband services has declined.

- We classified DSL, BPL and Wireless broadband as “information services” not subject to legacy regulations.
- We removed legacy regulation such as tariffs, price controls, and wholesale unbundling on new fiber investment and 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 banned exclusive contracts in apartment buildings.

- Through the Universal Service Fund, we wired nearly 100 percent of all public schools with Internet connections and initiated a pilot program that will connect over 6,000 healthcare providers across the United States.
- We auctioned approximately 50 megahertz in the 700 MHz Band that is ideally suited to broadband.

As a result, 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.

I applaud the cable industry for its role in achieving this growth, and we are fortunate to have with us Matt Polka from American Cable Association to talk about some of the things the small cable operators have done to deploy broadband. Cable companies have made a significant commitment to broadband deployment, investing over \$100 billion over 10 years.

We are examining tying arrangements to ensure that large media companies are not constraining small cable providers and their ability to deploy broadband by forcing them to dedicate capacity to unwanted channels by the way they bundle programs.

We are also concerned about making sure that independent programmers are able to contribute to the marketplace of ideas. We are fortunate to have Mark Cuban with us to talk about these issues. The Commission has taken several steps to make it easier for independent programmers to reach local audiences. Last fall, the Commission adopted an order that made leasing channels more affordable and expedited the complaint process.

As the importance of broadband increases, we need to understand how and where broadband is being deployed by providers and used by consumers. First, we increased the speed of what constitutes “basic broadband.” Second, we will collect detailed subscribership information on a local level. Third, we will collect detailed information on broadband service speed tiers. Finally, we will map information about broadband service availability to better direct resources toward unserved and underserved areas. Armed with this additional data, the Commission will be better able to assess and promote the deployment of broadband across the nation.

While we pursue policies to promote broadband deployment, we must also work to preserve and promote the open character of the Internet. For example, the Commission recently 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.

In addition, in the Internet Policy Statement, the Commission adopted four principles to protect consumers’ access to content of their choice. The Commission has committed to enforce these principles and is currently considering a complaint against Comcast that its network management practices unreasonably discriminate against BitTorrent.

Of course, there is more work to be done. There are people who are unable to subscribe today because of the cost. 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. In addition, 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. We also need to reform our universal service system to move from supporting voice services to broadband services.

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. However, by providing a regulatory environment that promotes competition, fosters investment in broadband networks and infrastructure, and drives innovation – that expands affordable access and sustains an open Internet – we afford technology innovators and end users the freedom to shape the digital future.

Thank you.