

**REMARKS OF  
FCC ACTING CHAIRMAN MICHAEL J. COPPS  
PIKE & FISCHER'S BROADBAND POLICY SUMMIT V  
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Thank you for having me here today. Let me say how much I welcome the opportunity to speak about something—*anything!*—other than the DTV Transition. These have not been the most relaxing two weeks of my tenure at the FCC.

These summits are taking on a life of their own and I'm honored to be invited back this year. I thought we had a really good session last June and this year's, I understand, is already contributing noticeably to our national broadband dialogue. I'm told Chairman Boucher kicked off the day with what we always expect and always get from him—insightful and informative thoughts on public policy that demonstrate a mastery of the many public policy issues confronting America at this critical hour. I feel really good about our communications chairs in Congress—not only Rick, but Henry Waxman, Jay Rockefeller and John Kerry. I couldn't put together a list of four better leaders to head up the people's communications business on Capitol Hill.

What a difference a year makes since we were last together. A year ago it was high hopes on my part that change was coming to Washington. And I shared with you my enthusiasm at the prospect of a new administration that would bring with it, finally, a deep and abiding commitment to building broadband infrastructure all across America. I was looking for leadership premised on an understanding that so many of the problems we confronted wouldn't be resolved—couldn't be resolved—without that infrastructure. I believed then, and I believe now, that just as the late Twentieth century was about new frontiers from micro chips to outer space, the Twenty-first century would be about even more stunning technology innovation and accomplishment. As I've said before, we haven't seen anything yet, and I expect my grandkids will one day look upon the technologies of their youth—which you and I marvel at—as pretty primitive stuff.

So I wanted to see us get serious about building the infrastructure for growth. I wanted to see us organize and coordinate our government agencies for a full-court press for high speed, value-laden broadband. And I wanted cooperative private-public sector partnerships to drive the build-out because they are what can turn visionary policy into consumer reality. And I hoped that the one thing I had been screaming from the rooftops for seven and a half years would no longer fall on deaf ears—the urgent, pressing, crying need to develop a national broadband plan. Because without the policy, the plan and the partnerships, America had no shot—no shot at all—for leadership in the Digital Age.

Well, change came. Refreshing reform breezes are blowing through the corridors of power all over this city. And a huge part of that change is that we have a real, honest-to-goodness commitment to broadband. Not a campaign promise, not a rhetorically-stated goal, but a genuine commitment to get this transformative technology out to all of our people.

“All our people” means everyone—no matter who they are, where they live, or the particular circumstances of their individual lives. Rich or poor, farmer or city-dweller, big business or small, young people or old, fully healthy or experiencing a disability—it makes no difference. You’ve heard me say this before, but it bears repeating here in light of the current debate about whether our primary broadband goal should be serving unserved or underserved areas first. I start from the premise that America as a country can be considered an underserved area. Certainly folks in rural America who don’t receive broadband at all stand out. But how about small businesses in both rural *and* urban areas trying to compete on embarrassingly slow-speed broadband that is all that’s available in so many places? How about the little inner city kid trying to keep up with her peers on homework and research assignments? Are we really responding to national need when what passes for broadband in too many areas—I’d say most—puts our citizens and entrepreneurs at serious disadvantage compared to their competitors in London, Paris, Tokyo or Seoul who enjoy broadband speeds at multiples of what is available here and at half the cost? Of course rural is a priority. But so are low-income residents in urban areas who don’t have access to affordable broadband because providers don’t find it profitable to go there.

I’ll tell you this: if we get side-tracked into some either-or debate over unserved versus underserved—especially one that serves as a proxy for rural versus urban—we will not get a national broadband plan that does justice to America’s needs. We just won’t get it. Every person in this land, if they are to have the doors of economic and social opportunity fully open to them, needs to be a part of Twenty-first century communications. And our communications statutes are still premised, I do believe, on reasonably comparable services for all at reasonably comparable prices.

Now that we have the commitment to broadband, we must make sure everyone in the country understands the stakes. We’re not putting all this emphasis on broadband for the sake of broadband. Infrastructure is always about enabling our economy and our society. Just as those roads and bridges and canals and turnpikes I always talk about enabled agriculture and commerce in our country’s early days; just as the railroads and highways made a great industrial nation from the Atlantic to the Pacific; just as the interstate highways conferred mobility on us all, building suburbs and linking our cities and states; just as electricity and telephone service lighted our lives and made us all neighbors, so too will broadband enable our Twenty-first century lives. There is no solution to energy dependence, environmental degradation, educational shortfalls, job losses, health care unavailability for so many, our declining civic dialogue—the list goes on—no solution that does not have a critical broadband component to it.

We have wasted precious years—so many that it’s no slam-dunk we will put America back at the cutting-edge among increasingly tech-savvy countries that saw farther ahead than our own leaders did. After so many generations when Americans were at the forefront—when we marshaled our resources, when we had private-public partnerships to build our essential infrastructure, when far-seeing public policy was coupled with the engines of the private sector, it shouldn’t have been that difficult. But somehow, when we got to this present great infrastructure challenge—broadband—we forgot those lessons in how we built our country. We comforted ourselves with a strange and unhistorical notion that the new market we lived in would, all by itself, get the job

done. The times were new, the living was easy, “don’t worry, be happy, let the good times roll!” Well, by losing sight of how we built the country in the first place, we put ourselves at serious disadvantage, and it cost us, big-time. In the end, we short-changed our economy, our kids and ourselves.

But change came. And I was thrilled by the altogether historic Recovery and Reinvestment Act of 2009 that returned us to our roots by doing two important things: First, providing \$7.2 billion to NTIA and RUS to offer grants and loans to build essential infrastructure. Those agencies are working hard on developing the guidelines for a program that has the ability to do tremendous good in these difficult economic times. I believe we will see an array of diverse and innovative projects that will address a wide gamut of our broadband infrastructure needs. But we should recognize that this is basically a down payment on our country’s broadband potential. So I was even more delighted that Congress charged the FCC with the second piece of the puzzle—the central role in turning our new national commitment into a workable national strategy. Our mandate to spearhead a national broadband plan by next February is, I believe, the biggest thing to come the Commission’s way since the Telecommunications Act of 1996. If we do our job well, it will be even bigger than that. It will be our most formative—indeed transformative—proceeding ever. And, I am happy to report, we’re already hard at work on it.

We kicked off our broadband proceeding on April 8 with a comprehensive Notice of Inquiry. I am pleased to report that many stakeholders from around the country took notice of our proceeding and filed comments with us last week. We received over 500 sets of comments totaling over 8,000 pages, so as you can imagine we’ve got a team of people at the Commission going through them with great care. And now that the DTV transition commands at least a little less of my time, I’m finding the chance to dive in, too. We heard, as you can imagine, from many of the industries that daily ply the portals of the FCC, but we also heard from numerous other stakeholders, including academic experts, consumer groups, education, healthcare and public safety experts, engineering and Internet standards groups, state and municipal organizations, foreign governments with broadband experiences to share and community and civil liberties organizations, to name but a few.

While we have received hundreds of comments to the NOI already, more will surely follow when reply comments come due on July 7<sup>th</sup>. It’s like a huge, wide funnel of data and analysis pouring into the Commission. Then the question is: what comes out the other end of that funnel? Our challenge is to make sure a focused, practical, achievable broadband plan comes out—instead of trying to resolve every contentious issue that has fueled so many years of seemingly-endless debates over telecommunications—debates that have too often deflected us from progress we should have been making, too frequently deflected us from the real issues of broadband because we spent so much time parsing arcane language rather than confronting real-world challenges. But now we will go in quest of practical plans that can be deployed in time to respond to the economic and many other challenges facing us. Of course contentious issues will have to be tackled; but I can tell you this—if we get bogged down trying to resolve every telecom issue out there, we won’t get the focused, realizable national broadband plan we so desperately need.

The Commission's efforts of course must be about much more than just seeking and reviewing comments. The NOI starts us off on the right track, but it's only a beginning and there is much, much more to do. My starting point is, and has always been, that we must foster wider civic participation in the Commission's proceedings to ensure that what we do at the FCC works first and foremost for citizens and consumers. We weren't designed as a special interest Commission. When I came to the FCC, I saw first-hand the effort to force through rules to increase media consolidation, to the great detriment of localism, competition and diversity of voices. It was designed as an inside-the-beltway proceeding—nothing new or original there, I suppose—but it turned out that a lot of people who were excluded were intent on being included, and we had to find ways to make that happen. It was in large part the input from what I call non-traditional stakeholders, from people raising questions with their elected officials, from citizens going to town hall meetings and from every-day folks spreading the word over the Internet that put the brakes on the inside job.

We need to find a way to make sure that citizens are priority number one in the context of the national broadband plan. This is a different proceeding than media ownership, to be sure, and new ideas and formats and venues will be needed. But I want to tell you, and to assure citizens across the land, that this broadband proceeding is not going to be business-as-usual. It is not going to be an inside job. It is going to be open and public and backed by sufficient resources at the FCC for wide citizen participation, communications and outreach. We need to do this across the whole wide gamut of issues over which the Commission has jurisdiction—but ***broadband is going to be the place where we start***. I'm not just talking about more of the same old, same old that we have occasionally tried in the past, but something on a whole different level. We are learning a lot as a result of our recent immersion in the Digital Television Transition. In a way, we took this isolated regulatory agency sitting on the banks of the Potomac and turned it into a vibrant grassroots organization. That's how we spread the word, informed consumers about what was coming and what steps they could take to minimize the disruption that was bound to occur given the spotted history of the Commission's and the industry's previous DTV efforts. There are some lessons from this recent experience that can inform our broadband effort. Data will drive a lot, but let's remember that data includes the experiences of everyday citizens, too.

So I believe that, beginning with the broadband proceeding, we can transform the old FCC into a new, more consumer-oriented and consumer-responsive agency. New technologies, techniques and non-traditional outreach can put the focus of this Commission where it was supposed to be for these past 75 years. This effort to create a more transparent and open FCC must not only be different in degree from what we have done before; it must be different in kind. So for my remaining time at the FCC, I am going to be working on this, first as regards broadband and then applying it across all our issues and items. I will be having more to say about how we get this process going in the days just ahead.

On a related outreach note, I am pleased that we are announcing today our Eighth Indian Telecommunications Initiative Workshop in Rapid City and Pine Ridge, South Dakota, from July 27<sup>th</sup> through the 29<sup>th</sup>. This event is part of the Consumer and

Government Affairs Bureau's ongoing work with Indian Country, but this year's sessions will focus laser-like on broadband needs and it will build off the reality that Native Americans are in dire need of better policy and more help if they are going to be participants in Twenty-first century communications. I am looking forward to participating in the Workshop and to getting out in Indian Country to better understand the realities upon which we need to build.

As I hope you can sense, we have started the broadband train down the track. In addition to the NOI, the Commission is moving smartly ahead on data collection, consumer surveys, and the international comparisons mandated by the Recovery Act. Our July 2<sup>nd</sup> agenda meeting will provide you with many more details about all of this. My pledge is to do everything I can—while I am Acting Chair and then working closely with our new Chairman when he is confirmed—to make this process open, inclusive, out-reaching, data-driven and something we can all be proud of. You got a sense of Chairman-designate Julius Genachowski's dedication to making broadband happen at his confirmation hearing on Tuesday. I have no doubt that we share the same goals here. When I was named Acting Chair in January, I said that I wanted to re-energize the agency, get it working on broadband, and be in a position to hand it off to the next Chairman better than I received it, chugging along in the right direction. I believe the train is on the tracks, it is headed in the right direction and it's moving forward at a pretty good clip.

Let me touch on two other telecom issues recently in the news. First, and this brings up some not-so-good news, the FCC announced Friday next quarter's Universal Service Fund contribution factor—an all-time high of 12.9%. Definitely not great news for the Universal Service Program, the industry, or consumers. We all know there are some solid reasons for such a high number—the state of the economy has consumers and businesses reconsidering expenses and cutting telephone lines and services in an effort to cut costs. That leads to lower revenues from which to receive contributions. And on the demand side we're seeing more consumers turning to our Lifeline programs that subsidize service for low-income consumers. With a decrease in contributions and an increase in demand comes an increase in the contribution factor. One thing the Commission can do is redouble its efforts to make sure that contributors to the fund are paying in what they are supposed to. I've asked our Enforcement Bureau to look at their current efforts and identify where we can be doing more.

While I hope the rise in the contribution factor is just a blip that will come down as the economy recovers, the reality is that we need comprehensive, holistic reform of Universal Service. Not just because the costs to consumers of not fixing it are increasing, but because it is time to bring this program into the Twenty-first century. What we have is a Universal Service Fund intended for the Twentieth century goal to assure that all Americans have voice service. I'm not suggesting abandoning voice, but Universal Service just has to evolve to address the communications needs of the Twenty-first century—and that means broadband. We must transition the current system to support broadband in those areas where consumers and providers are challenged by economics, geography, demographics and technology. That is no small task to add to our greater task of devising a national broadband plan. It's going to be a steep climb and we will need to put everything under the microscope, from who receives Universal Service funding, how



and why, to who contributes to the fund, and to ensure that it is cost-effective. The present system, which by-and-large achieved its purpose of getting plain old telephone service (POTS) out to so many Americans who otherwise would not have been served, has to change. The POTS were fine, but now we need the PANS, too—the Pretty Awesome New Stuff. The present system cannot and should not endure as it is. Congress and the Commission each have roles to perform here, and the tools we are developing and the data we are collecting to inform us on the national broadband plan can also enable us to consider Universal Service reform based not on anecdote or easy generalization but on cold, hard facts.

The second “other telecom issue” I want to touch upon, and which is much in the news recently, is exclusive arrangements between wireless carriers and handset manufacturers. In the fast-changing wireless handset market, too, we must ensure that consumers are able to reap the benefits that a robust and innovative competitive marketplace can bestow. I appreciate the concerns that have been expressed on Capitol Hill and elsewhere, and I agree that we should open a proceeding to closely examine wireless handset exclusivity arrangements that have reportedly become more prevalent in recent years, and I have instructed the Bureau to begin crafting such an item. The Commission as the expert agency should determine whether some of these arrangements adversely restrict consumer choice or harm the development of innovative devices, and it should take appropriate action if it finds harm.

We should always be concerned about potential gatekeeper control. That is why, from the very beginning, I have supported an open Internet, Internet freedom, network neutrality, or whatever you want to call what it is that we need to keep the Internet dynamic and transformative for consumers, innovation and competition. It is also why I believe the Commission should adopt a fifth principle of non-discrimination in addition to the four principles that we got the FCC to adopt.

For the last year or so I haven't gone anywhere without mentioning the DTV transition. This isn't the occasion to look back on how the transition went because as I've said several times, the transition did not end on June 12. It is a continuing process. In any transition this big, there is going to be disruption and a period of adjustment. We are in the midst of that now, trying to help the consumers and stations who haven't quite made it yet. But I feel very proud of what we were able to accomplish in the past five months in terms of reducing the level of disruption. And the thing I'm most proud of is something relevant to our discussion today—the crucial importance of public-private partnerships. At last, we had the public and private sectors pulling together on DTV in a coordinated, purposeful way. And it made a huge difference. But don't believe me. Here's what my friend and long-time broadcast journalist Harry Jessell had to say: “I count myself among the skeptics who believe the government can never get anything quite right and that its attempts to work with industry are more likely than not to go awry. But not today.” If we can do it on DTV, we can do it on broadband. Harry might not be with me on the broadband part, but I think there are some lessons to be learned and applied here if we're going to get it right.

Finally, I hope you all have noticed some sense of renewed energy, outreach and communication with the 1800-some wonderful public servants with whom I get to work

every day at the FCC. That's another group we haven't listened to enough. As Chairman for the past five months, I am even more in awe of these good folks than I was in my once (and future) days as Commissioner. We had not in recent years enabled them to do what they are capable of doing. I've been trying to change that. Not by some vast and chaos-inducing reorganization of the Commission, but by changing the tone, opening up frayed lines of communication, making sure everyone feels encouraged to step forward and tell us what they're doing and thinking, and making sure everybody is talking to everybody else in a cross-cutting manner befitting the cross-cutting nature of the issues we are addressing.

Taking stock of all the issues I've talked about today, I remain an optimist. I'm an optimist because we have such vast resources in this country—in both the private and public sectors—to draw upon. I'm an optimist because I believe communications will be a central driver of Twenty-first century progress and prosperity. I'm an optimist about the new Commission taking shape, an FCC willing and enabled under our hopefully soon-to-be-confirmed Chair, Julius Genachowski. I'm an optimist because our country is getting back on the right road—the road of partnering and innovation and stepping-up-to-the-plate to tackle problems that went unaddressed too long.

This country works best when it works together. That's how it's always been. It is time to dust off the partnering and creativity that have always brought America through and put it to work one more time. Can we make it happen? As someone once said, "Yes, we can."

Thank you very much.