

**Prepared Remarks of
Chairman Julius Genachowski
Federal Communications Commission**

"ICT: Global Opportunities and Challenges"

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Thank you, Mr. Chairman, for that kind introduction. Thank you also to our Lebanese hosts, President Sleiman and Chairman Shehadi, who have so warmly welcomed us to this beautiful country.

I would also like to thank the innovative leadership of the International Telecommunication Union (ITU), Secretary-General Touré and Telecommunication Development Bureau Director Al Basheer, and congratulate them on this excellent symposium. And I'd like to thank and introduce my friend and distinguished colleague, Ambassador Phil Verveer, and members of my talented senior staff, Mindel De La Torre and Priya Aiyar.

I have been at the Federal Communications Commission (FCC) for only a few months, but I am delighted to be here at the Global Symposium for Regulators (GSR). I am grateful to President Obama, not just for giving me the opportunity to serve as FCC Chairman, but for his call to move forward internationally "based on mutual interest and mutual respect."

At the FCC, we are committed to greater international engagement and cooperation in our interconnected world. Together, we can work to ensure that communications and information technology advances our collective goals of peace and prosperity.

We gather at a critical time. We gather during an historic global financial crisis. And we gather at a time of global transformation in communications.

The Information and Communication Technology (ICT) sector did not cause the financial crisis. Indeed, ICT has significant potential to help lead us out of it, and to become an enduring platform for global prosperity and opportunity.

As this group well knows, the transformation of communications is being driven by two powerful technological forces: first, digital -- including the dramatic growth of the Internet and IP-based networks -- and second, mobile.

I was fortunate to spend the last 12 years in the private sector, working as an operator and investor with companies focused on these trends. Before that, in the mid-nineties, I worked at the

FCC. The digital and mobile revolutions were just beginning. Fewer than one in 10 Americans had a cell phone, all analog. And a spectrum auction was happening for the very first time. Today, there are 3.6 billion mobile subscribers globally, and digital/IP technology is plainly on a path to become the dominant mode of transmission for virtually all communications.

These transformations are expanding the reach of networks, making it much easier to connect people and businesses. And these connections are increasing the flow of services and information, spurring innovation in the networks and in the applications that travel through the networks.

We are seeing the emergence of a new ecosystem of opportunity, a communications and information infrastructure that has the potential to advance the economic and social well-being of all countries and all people.

The World Bank estimates that a 10-percentage-point increase in broadband penetration corresponds to a 1.2-percentage-point increase in GDP in developed countries, and even higher increases in the developing world.

We see the evidence that entrepreneurs everywhere can and will seize the opportunities created by access to wired and wireless connectivity. In the U.S., estimates are that over one million jobs have been created by new small businesses over communications networks. In some developing countries, a very high percentage of all businesses are young micro-enterprises that rely on mobile phones.

The economic opportunities related to ICT platforms extend from the financial, where millions of people in Africa are now accessing banks for the first time through their cell phones, to the agricultural, where there is evidence that farmers in developed and developing countries can earn more, while consumers pay less, as a result of ICT-related efficiencies

In addition to fostering economic health, we see the potential of widely available broadband to foster physical health -- bringing medical expertise and information further and faster than previously thought possible.

We see the potential of broadband to improve education -- connecting students and teachers from different villages, cities, even countries -- "from Kansas to Cairo," as President Obama said.

We see the potential of broadband to improve energy efficiency and help address climate change. And we see the potential of broadband to improve responses to disasters and emergencies.

In each of these categories, there are many concrete examples of the opportunity of ICT for the 21st century -- too many for these remarks. But I can tell you that I am well aware that these examples are international in scope, that there is tremendous innovation occurring on every continent, and that we in the United States are seriously interested in learning from our friends and colleagues around the world.

Now, of course, the changes in the communications landscape that create these opportunities also raise challenges. Let me mention three:

- First, it is precisely because of these opportunities that the cost of not being connected is becoming even greater, and the “digital divide” even more troubling.
- Second, the cost of building out communications networks is of course quite large, raising many important and difficult questions, including around investment and development capital.
- Third, policymakers and regulators must often address difficult digital issues with regulatory frameworks and tools adopted in an analog world.

It is a tribute to the ITU and its leadership that these questions are on the table for discussion and collaboration at this Symposium.

At the Federal Communications Commission, we are focusing on five key goals.

Our first focus is on extending broadband access, with the goal of universal availability.

We see broadband as one of our most significant infrastructure challenges for the 21st century. Recognizing this, the President and U.S. Congress have appropriated near-term economic stimulus funds for broadband, while also asking the FCC to develop a longer-term National Broadband Plan.

In connection with our broadband plan, which we see as including both wired and wireless high-speed connectivity, we are looking at issues around deployment and build-out; adoption and affordability; and what our statute calls “national purposes,” including broadband to promote education, health care, and energy efficiency.

As part of our process at the FCC, we want to learn from you. Twenty-two nations already have broadband plans. Members of our staff have been reaching out to understand other countries’ experiences, and I hope to learn from you while I’m here.

Our second area of focus is seizing the opportunity of mobile.

We believe that broadband is the future of mobile, and also that mobile is a key part of the strategy for broadband. In the U.S. we have seen recently tremendous growth in 3G services and smartphones. Even in this difficult economic environment, smart phone sales in the U.S. have doubled in the past year.

This and other related trends raise a number of important issues, and at the FCC we are studying ways to accelerate the roll-out of 4G -- by ensuring the availability of sufficient spectrum; promoting spectrum efficiency and flexibility; and identifying and removing barriers to 4G deployment.

We would like to be both an importer and an exporter of best practices with regard to mobile issues. One of these issues is the digital TV transition and how to make use of the “digital dividend.” The U.S. ceased analog TV broadcasting last June. And although it certainly had its challenges, we are pleased with our transition.

Our third area of focus is promoting competition, the fuel of a thriving economy.

We continue to believe that an important part of our mission is to create a climate for innovation and investment, and that competition is a vital part of that strategy.

As I mentioned, I was proud to be at the FCC in the nineties when the Commission held the first spectrum auctions, increasing competition in the mobile market. Within five years, investment in mobile more than tripled, as did the number of subscribers; and per minute call prices dropped in half.

We also believe that any regulation should be effective and targeted, not micromanagement, and that it should strive for technological neutrality. Promoting competitive markets is an important part of our mission, as is empowering and protecting consumers. These goals go hand in hand.

Our fourth area of focus is preserving a free, open and robust Internet.

The U.S. has long been, and continues to be, committed to this goal. It is an application of our commitment to competition and consumers. We believe that the open, decentralized architecture of the Internet has been the key to its success. Allowing entrepreneurs to innovate without permission has made the Internet an unprecedented platform for investment and innovation.

At the FCC, we have started a proceeding aimed at preserving an open and unfettered Internet. This proceeding is not about government regulation of the Internet. It’s about ensuring that no one, not the government and not companies that provide Internet access, restricts the free flow of lawful information and services over the Internet.

Our goals are to ensure that consumers and the market can pick winners and losers; to promote competition; and to promote continued investment and innovation as our Internet future unfolds.

Our proceeding -- which recognizes the need for reasonable network management -- builds on the long history of telecom policies against discrimination, as well as the principles in the FCC’s 2005 Internet Policy Statement.

Finally, openness and transparency are core areas of our current focus at the FCC.

We have taken a number of steps to continue to improve our processes. For example, we have hosted dozens of public workshops on our broadband plan, and are increasingly using new media technologies to better solicit input as well as inform the public.

In addition to greater engagement with all stakeholders at home, let me emphasize that we look forward to greater engagement with the global ICT community. I look forward to discussion

today and ongoing dialogue about near-term job-creation and economic growth, as well as how to ensure that our information and communications infrastructure becomes an enduring engine for opportunity and economic success.

We are fortunate to have three panelists who bring distinguished and diverse backgrounds to the issues we will be discussing. Mr. Matthias Kurth is the President of the German regulatory authority, BNetzA and, for the past year, has been serving as the head of the European Regulators Group.

Dr. Ahmad Hiasat is Chairman of the Board and CEO of the Jordanian Telecommunications Regulatory Commission. Dr. Hiasat has made increasing access to Information and Communication Technologies a top priority for his agency. We will also have a private sector perspective from Mr. Carlos Lopez Blanco, Director of the International Office at Telefonica.

And it is also my pleasure to welcome two experts who have written thought-provoking papers on communications policy in the digital age and in times of financial crisis. Ms. Lynne Dorward, Chief Regulatory Officer of the Zain Group, will talk about her paper, “Impact of Regulation on Investment: an Investor’s Perspective.” Ms. Mandla Msimang, Managing Director of Pygma Consulting, will be discussing her paper, “Effective Regulation: the Stimulus Plan for the ICT Sector.”