

**TESTIMONY OF FCC COMMISSIONER MEREDITH A. BAKER
U.S. HOUSE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET
“THE NATIONAL BROADBAND PLAN”**

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Mr. Chairman, Ranking Member Stearns and Members of the Subcommittee, it is a privilege to appear before you today. I look forward to working with you as you consider the many important issues that have been raised in the National Broadband Plan.

The National Broadband Plan is an impressive body of work. There are places where I would have made different recommendations and suggestions, but I am grateful to the Commission’s Broadband Team for its hard work and find that significant parts of the Plan deserve careful consideration. These include the promotion of a strategic spectrum plan, long-overdue universal service reform, and the deployment of a national interoperable broadband network for public safety. I would like to say a few words about these key priorities today.

At the outset, however, I would like to share my belief that broadband in America is a success story. Under a light-touch targeted regulatory regime in both the Clinton and Bush Administrations, we have gone from a narrowband dial-up world to a multi-platform broadband world by crafting a regulatory framework that promotes facilities-based competition in lieu of prescriptive government requirements. Private industry from every communication platform has responded to this consistent framework with substantial network investment and deployment to the great benefit of consumers. This has resulted in broadband availability to 95 percent of Americans, the vast majority of whom have choice amongst competing providers.

There is absolutely more to be done to reach the remaining seven million unserved households that the Broadband Plan has identified. However, as we strive to get more broadband—with faster speeds—deployed to more Americans in more places, we must acknowledge what the current regulatory environment has accomplished.

As I have said since I arrived here at the FCC, one area for prompt government action is spectrum policy. Consequently, I am pleased that one of the Broadband Plan’s most important priorities is the call for prompt action on spectrum. The continued success of state-of-the-art mobile broadband depends on our ability to align our spectrum policies with the changing needs of consumers and industry. Other nations, like Germany and Japan, are already planning to allocate significant additional blocks of spectrum to mobile broadband. The U.S. must act similarly to lay the foundation for the next generation of mobile innovation,

machine-to-machine communications, mobile health and a meaningful alternative to fixed broadband.

The Plan identifies the need for a more comprehensive, long-term approach to spectrum management. The United States needs a spectrum plan that expands upon proven flexible, market-oriented approaches to facilitate spectrum access, wireless innovation and competition. I hope our policies in this area will be guided by three overarching objectives: facilitating efficient use of spectrum, identifying and re-allocating additional spectrum, and encouraging investment and innovation in wireless networks and technologies.

As we proceed, we must take care to ensure that we treat all licensees equitably. We should provide both existing and new license holders with as much latitude as possible to design and deploy state-of-the-art, efficient networks and develop service offerings to appeal to U.S. consumers. I would strongly oppose any efforts to dictate business plans or service offerings through regulatory mandate or inflexible allocations or service rules.

I also support the Plan's emphasis on comprehensive Universal Service Fund and intercarrier compensation reform, targeted to broadband investment while not expanding the size of the fund. It is necessary to evolve our support mechanisms into an era in which all Americans have the opportunity to benefit from broadband. We must transition in a considered way to an explicit support mechanism that will ensure accountability, efficiency, and adequate funding in areas where market forces are not sufficient to drive broadband services to America's consumers. But we must also be mindful that the nearly \$9 billion Fund is not without limits. Consumers pay for this. The universal service contribution factor for next quarter will be the largest ever—15.3 percent. This is real money from real people. Our efforts to modernize the Universal Service Fund should not become an excuse to further grow the overall size of the Fund. It is our obligation to ensure that money is spent wisely to achieve the goals set out by Congress—but without distorting the market or breaking the bank. The Plan gives us helpful recommendations to begin this process.

I also believe the Broadband Plan's focus on public safety is long overdue. I think nationwide public safety interoperability should be a top priority for this Commission and believe the Plan is an appropriate place for us to start, focusing on the sufficiency of first responder funding and available spectrum resources. The need for interoperability was highlighted in the 9-11 Report and devastatingly illustrated in the aftermath of Hurricanes Katrina and Rita. We need to move forward expeditiously to provide the communications tools our nation's first responders deserve.

As we consider the Plan's recommendations in detail, our broadband policy should be focused on those efforts directly tied to promoting adoption, deployment, and facilities-based competition. We should build upon the strong

regulatory foundation that we have before us, harnessing private investment, encouraging entrepreneurs and inventors to drive better broadband to more people, whoever they are and wherever they live.

I am concerned about passages throughout the Plan, notably in Chapter 4, that suggest an interest in re-opening settled regulatory battles and changing our market-based regulatory framework mid-course in a manner that could diminish our emphasis on adoption and chill the private investment we so desperately need in our broadband infrastructure. We must, in particular, resist efforts to adopt rules in the Network Neutrality proceeding that would dictate how networks are managed and operated. We should also reject calls to revert to monopoly-era Title II regulation for broadband services that ignore the track record of success under Title I, and rebuff fiber unbundling and copper retirement proposals that seem to selectively forget our long and checkered history with government-manufactured competition.

We must also be careful to avoid prescribing government-imposed answers to questions best left to the market as consumers and companies. As we shift towards a broadband-enabled and digital world, government should not be in the business of mandating technologies or picking technology winners. We must avoid one-size-fits-all approaches to broadband. This is particularly true with respect to the affordability, relevancy, and literacy adoption hurdles facing a third of Americans today.

In closing I would be remiss not to note that much of the Plan is dedicated to ensuring broadband connectivity to serve a number of statutorily enumerated national purposes from education and health care, to energy policy. In each of these critical areas, broadband can be a great enabling technology and I am hopeful that the Plan's thoughtful efforts will prove valuable to those agencies and stakeholders seeking to work with the FCC to harness the power of broadband for the betterment of our nation and consumers.

Thank you again for the opportunity to be here today. I look forward to your questions.