

**FEDERAL COMMUNICATIONS COMMISSION
CHAIRMAN JULIUS GENACHOWSKI
REMARKS ON PRESERVING INTERNET FREEDOM AND OPENNESS
WASHINGTON, DC
December 1, 2010**

Good morning. After months of hard work at the FCC, in other parts of government, in the private sector, and in the public interest community, and after receiving more than 100,000 comments from citizens across America, we have reached an important milestone in our effort to protect Internet freedom and openness.

Yesterday, I circulated to my colleagues draft rules of the road to preserve the freedom and openness of the Internet. This framework, if adopted later this month, would advance a set of core goals: It would ensure that the Internet remains a powerful platform for innovation and job creation; it would empower consumers and entrepreneurs; it would protect free expression; it would increase certainty in the marketplace, and spur investment both at the edge and in the core of our broadband networks.

I am gratified by the broad support this proposal has already received this morning -- including from leading Internet and technology companies, founders and investors, consumer and public interest groups, unions, civil rights organizations, and broadband providers.

The proposed rules of the road are rooted in ideas first articulated by Republican Chairmen Michael Powell and Kevin Martin, and endorsed in a unanimous FCC policy statement in 2005. Similar proposals have been supported in Congress on a bipartisan basis. And they are consistent with President Obama's commitment to "keep the Internet as it should be -- open and free."

Their adoption would culminate recent efforts to find common ground -- at the FCC, in Congress, and outside government, including approaches advanced by both Democrats and Republicans, and by stakeholders of differing perspectives. In particular, this proposal would build upon the strong and balanced framework developed by Chairman Henry Waxman, which garnered support from technology and telecommunications companies, big and small, as well as from consumer and public interest groups.

The animating force behind all of these efforts is a shared appreciation for the Internet's wondrous contributions to our economy and our way of life.

Millions of us depend on the Internet every day: at home, at work, in school -- and everywhere in between. The high-speed networks we call broadband are transforming health care, education, and energy usage for the better. It's hard to imagine life today without the Internet -- any more than we can imagine life without running water or electricity.

The Internet has been an unprecedented platform for speech and democratic engagement, and a place where the American spirit of innovation has flourished. We've seen new media tools like Twitter and YouTube used by democratic movements around the world.

Not only is the Internet becoming a central part of the daily lives of Americans, the Internet has been a strong engine of job creation and economic growth.

Internet companies have begun as small start-ups, some of them famously in dorm rooms and garages with little more than a computer and access to the open Internet. Many have become large businesses, providing high-paying, high-tech jobs in communities across our country. It's the American dream at work.

Small businesses and start-ups have accounted for more than 22 million new American jobs over the past 15 years. And broadband has played a central part, enabling small businesses to start, to lower their costs, and to reach new customers in new markets around the country and, indeed, the globe.

Why has the Internet proved to be such a powerful engine for innovation, creativity, and economic growth? A big part of the answer traces back to one key decision by the Internet's original architects: to make the Internet an open platform.

It is the Internet's openness and freedom -- the ability to speak, innovate, and engage in commerce without having to ask anyone's permission -- that has enabled the Internet's unparalleled success.

This openness is a quality -- a generative power -- that must be preserved and protected. And the record in the proceeding we've run over the past year, as well as history, shows that there are real risks to the Internet's continued freedom and openness. Broadband providers have natural business incentives to leverage their position as gatekeepers to the Internet. Even after the Commission announced open Internet principles in 2005, we have seen clear deviations from the Internet's openness -- instances when broadband providers have prevented consumers from using the applications of their choice without disclosing what they were doing.

The proposed open Internet framework is designed to guard against these risks, while recognizing the legitimate needs and interests of broadband providers.

In key respects, the interests of edge innovators -- the entrepreneurs creating Internet content, applications and services -- broadband providers, and American consumers are aligned. Innovation at the edge catalyzes consumer demand for broadband. Consumer demand spurs private investment in faster broadband networks. And faster networks spark ever-cooler innovation at the edge.

A central goal of the proposed open Internet framework is to foster this cycle of massive investment in both the edge and the core of broadband networks, to the benefit of consumers and our economy.

Protecting Internet freedom will drive the Internet job creation engine.

The crux of the proposal, which would establish open Internet rules for the first time, is straightforward.

First, consumers and innovators have a right to know basic information about broadband service, like how networks are being managed. The proposed framework therefore starts with a meaningful transparency obligation, so that consumers and innovators have the information they need to make smart choices about subscribing to or using a broadband network, or how to develop the next killer app. Sunshine can help solve problems early, reducing the number of issues that even come to the FCC.

Second, consumers and innovators have a right to send and receive lawful Internet traffic -- to go where they want and say what they want online, and to use the devices of their choice. Thus, the proposed framework would prohibit the blocking of lawful content, apps, services, and the connection of non-harmful devices to the network.

Third, consumers and innovators have a right to a level playing field. No central authority, public or private, should have the power to pick which ideas or companies win or lose on the Internet; that's the role of the market and the marketplace of ideas. And so the proposed framework includes a bar on unreasonable discrimination in transmitting lawful network traffic.

The proposed framework also recognizes that broadband providers must have the ability and investment incentives to build out and run their networks. Universal high-speed Internet access is a vital national goal that will require very substantial private sector investment in our 21st century digital infrastructure. For our global competitiveness, and to harness the opportunities of broadband for all Americans, we want world-leading broadband networks in the United States that are both the freest and the fastest in the world.

To this end, broadband providers need meaningful flexibility to manage their networks -- for example, to deal with traffic that's harmful to the network or unwanted by users, and to address the effects of congestion. Reasonable network management is an important part of the proposal, recognizing that what is reasonable will take account of the network technology and architecture involved.

Our work has also demonstrated the importance of business innovation to promote network investment and efficient use of networks, including measures to match price to cost such as usage-based pricing.

The record in our proceeding reflects both the importance of openness principles to mobile broadband, and the appropriateness of recognizing differences between fixed and mobile broadband. This is not a new point, but one that I've made consistently since the beginning of this proceeding. For example, mobile broadband is at an earlier stage of development than fixed broadband, and is evolving rapidly.

Accordingly, the proposal takes important but measured steps in this area -- including transparency and a basic no blocking rule. Under the framework, the FCC would closely monitor the development of the mobile broadband market and be prepared to step in to further address anti-competitive or anti-consumer conduct as appropriate.

The work of the FCC staff on this proceeding has been exceptional, no more so than in connection with the complex legal issues. Informed by the staff's additional legal analysis and the extensive comments on this issue over the past year, the proposal is grounded in a variety of provisions of the communications laws, but would not reclassify broadband as a Title II telecommunications service. I am satisfied that we have a sound legal basis for this approach.

I want to emphasize that moving this item to a vote at the Commission is not designed or intended to preclude action by Congress. As always, I welcome the opportunity for the Commission to serve as a resource to Congress.

The Commission itself has a duty and an obligation to fulfill -- a duty to address important open proceedings based on the record, and an obligation to be a cop on the beat to protect broadband consumers and foster innovation, investment, and competition. I believe the proposed framework

advances this mission, and that its adoption will provide increased certainty and benefits to the American public.

I look forward to ongoing work with my Commission colleagues on this and other issues. We have very important work to do for the American people in the months ahead, as we strive to harness the opportunities of broadband and communications for the benefit of our economy and for all Americans.

Thank you.