

**PREPARED STATEMENT OF FCC CHAIRMAN JULIUS GENACHOWSKI
BEFORE THE UNITED STATES SENATE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
“OVERSIGHT OF THE FEDERAL COMMUNICATIONS COMMISSION”
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Chairman Rockefeller, Ranking Member Thune, Members of the Committee, thank you for the opportunity to be here today.

Let me begin by acknowledging Chairman Rockefeller’s recently announced decision to retire from the senate in 2014. From E-Rate, which has helped connect almost every classroom in America to the Internet, to FirstNet, which will help our first responders do their jobs better and make our communities safer, your legacy of improving the lives of the American people through communications technology is remarkable and enduring.

Congratulations to Senator Thune on becoming Ranking Member of this Committee. You bring deep knowledge and years of experience to this important position, and the Commission looks forward to being a resource for you and your staff.

Since we last appeared before you, the Commission has been hard at work to maximize the benefits of broadband for our economy, our global competitiveness, and all Americans’ daily lives. And we continue to receive news that the ICT sector – what I’ve been calling the broadband economy – is thriving.

Over the past few years, the U.S. has regained global leadership in mobile, with as many LTE subscribers as the rest of the world combined. While mobile infrastructure investment in Europe and Asia has been roughly flat since 2009, annual mobile investment in the U.S. is up 40% over this period. And last year, more than 19 million miles of fiber were laid in the U.S., more than all of Europe combined, and the best year in the U.S. since 2000.

The FCC continues to make progress on key elements of our strategic agenda as laid out initially in the National Broadband Plan. I’ll touch on just a few here.

Since this Committee’s last FCC oversight hearing we are moving forward with implementation of the major spectrum and public safety law Congress passed last year, originating on a bipartisan basis in this Committee.

Last September, we launched our incentive auctions proceeding – a comprehensive proposal to free up significant spectrum and designed to help drive continued U.S. leadership in mobile – and we’re on track to run the world’s first incentive auction next year. We are committed to ensuring healthy financial incentives for broadcasters to facilitate their participation.

Of course, FirstNet is another important piece of the new law. The Commission is taking its FirstNet-related responsibilities seriously and has met all of its obligations under the statute on schedule.

Another key public safety priority for the Commission is improving the resiliency of our networks in times of emergency. In January, we issued a report detailing vulnerabilities in our 9-1-1 systems that were exposed by the 2012 derecho storm, and last month we launched a series of field hearings to identify steps to improve network reliability and resilience during and in the aftermath of disasters. And next week we will launch a rulemaking to strengthen 9-1-1 reliability and resiliency.

Our work to enhance cybersecurity continues. Building on smart actions developed with our multi-stakeholder Communications Security, Reliability and Interoperability Council to address challenges related to botnets, Internet routing, and Domain Name System (DNS) security, we're now focusing on practical steps to improve the security of wireless devices, apps, and networks.

Universal service reform continues to move forward. With bipartisan support from Congress, we adopted last year a major transformation of the multi-billion dollar program that puts us on the path to broadband access for all Americans by decade's end. This past July we rolled out the first phase of the Connect America Fund, supporting projects to bring broadband to nearly 400,000 Americans in unserved rural communities across 37 states. In October, we held the first round of the Mobility Fund, an unprecedented reverse auction that used \$300 million to efficiently expand wireless coverage to 84,000 unserved road miles across 31 states. In December, we adopted major reforms of USF's rural health care program, creating the Healthcare Connect Fund to connect thousands of rural and urban healthcare providers across the country. And we're making good progress finalizing the cost model for the long-term Connect America Fund, putting the Commission on track to launch this landmark initiative—the largest broadband infrastructure program ever established—later this year.

Of course, in this fast-moving sector, where global competition is fierce, challenges remain.

We need to continue to free up more spectrum for mobile broadband.

That's why we unleashed 30 MHz of WCS spectrum and 40 MHz of AWS-4 spectrum last year. And that's why we're pushing forward with the auction of 75 MHz of additional spectrum and new rules we proposed in December to enable widespread deployment of small cells in the 3.5 GHz band, which would unleash an additional 100 MHz of spectrum for mobile broadband. These actions have us on track to meet our ambitious goal of freeing up 300 MHz of spectrum for broadband by 2015.

We need to continue to drive increasing broadband speed and capacity, including to our schools, libraries, and other anchor institutions.

That's why earlier this year I issued the Gigabit Cities Challenge, which calls for at least one innovation hub with ultra-high-speed broadband in every state by 2015, and why the Commission is working with municipalities and broadband providers to meet this challenge. To promote investment in faster wired and wireless networks, we continue to seek ways to remove barriers to broadband buildout, building on policies like our tower siting shot clock; our order to ease access to utility poles; and "Dig Once," which encourages laying fiber conduit any time roads are being constructed or repaired.

We need to continue pushing for increased broadband adoption.

That's why we recently announced a partnership with HUD to extend greater digital literacy training to more than 4 million families living in public housing.

We must continue to promote Internet freedom and openness at home and abroad.

At the World Conference on International Telecommunications in Dubai in December, the U.S. fought attempts by a number of countries to give a U.N. organization, the International Telecommunication Union, new regulatory authority over the Internet. Ultimately, over the objection of the U.S. and others, 89 countries voted to approve a new treaty that would strengthen the power of governments to control online content. The Internet should remain free of gatekeepers, and I am committed to working with my fellow Commissioners, Congress, the Administration, and private sector stakeholders to preserve Internet freedom and openness and to resist efforts to balkanize the Internet.

We need to continue updating our policies for the broadband era – a process kickstarted by our work on the National Broadband Plan.

Among many actions, we've already overhauled intercarrier compensation to eliminate obstacles to deployment of all IP-networks. In December I launched the Technology Transitions Task Force to conduct a data-driven review and provide recommendations to modernize the Commission's rules. And just last week I circulated an NPRM proposing that VoIP providers receive direct access to numbers. We're working to accelerate technology transitions while recognizing that these transitions do not change the Commission's core responsibilities under the Communications Act: universal service, promoting competition, consumer protection, and public safety.

We need to promote media diversity.

The Commission recently approved the largest expansion of community radio in U.S. history. We are also undertaking our Congressionally-mandated review of our media ownership rules. We expect to receive a study on the effects of cross-ownership rules on minority ownership and newsgathering, and this will enhance the record in the Commission's proceeding. As the Commission considers the issues before it, goals that are particularly important include guarding against excessive media consolidation, promoting ownership diversity, enabling robust local news for all communities, and fostering economic growth and opportunity.

And we need to continue promoting vibrant and healthy competition and protecting and empowering consumers through strong actions like our data roaming rules, recently upheld by the D.C. Circuit.

Let me close by addressing sequestration. The FCC is currently operating at its lowest employee levels in at least 30 years. I have serious concerns that the cuts ongoing sequestration will require will harm the ability of the FCC to deliver on its vital mission, including universal service, public safety, spectrum management, and consumer protection.

I look forward to continuing to work with this Committee on these and other issues, and I look forward to your questions.

Thank you.