

Free State Foundation Sixth Annual Telecom Policy Conference
Remarks of Commissioner Mignon L. Clyburn
March 18, 2014
National Press Club Washington, DC

Thank you, Commissioner Tate, for such a gracious introduction. It is a pleasure to join the Free State Foundation for its Sixth Annual Telecom Policy Conference. The chosen theme is “A New FCC, and a New Communications Act: Aligning Communications Policy with Marketplace Realities.” Subsequent panels will discuss whether Congress should pass a new Communications Act, and if so, what that should include; but from my perspective, marketplace realities dictate that today’s FCC can ill-afford to be in standby mode. In order to provide the degree of certainty needed for both the industry and consumers to function, when it comes to the rules of the road, decisions must be made now.

No one really disputes that the Communications Act no longer accurately reflects current realities. The Act divides the industry into silos... traditional silos, of common carriers, cable, and wireless that no longer exist. Those distinctions have been blurred for some time now and pose challenges for us all.

But the statute’s core values remain as relevant today as they were decades ago: 1) competition, 2) consumer protection, 3) universal service, and 4) public safety. And I am pleased that the Commission made clear in the recent *Technology Transitions Order* that our commitment to preserve these values is unwavering.

What an incredible time to be involved in this space as technology continues to open doors we previously thought unreachable. Traditional energy coops are providing broadband, cable companies offering voice and even natural gas options, and legacy telephone companies are supplying video. In a few areas, new entrants such as Google Fiber are providing competitive alternatives, and in other areas, localities have responded to demands by constructing their own network providing consumers with broadband for the first time. Increasingly, opportunities already exist, but not for everyone.

So I am hopeful for a day when wireless providers offer speeds, capacity and pricing that are truly competitive alternatives to wireline broadband. I am hopeful for a place when innovators and advancements create sustainable solutions for our most difficult to serve areas, bringing universal broadband within reach, and finally closing the digital divide. And I am hopeful for a time when ubiquitous next generation 911 not only has features such as video chat that will save lives; but will be more robust and resilient, than our current public safety networks.

But to get there, we must be willing to be bold.

The industry needs to take more risks, try new things, push new technologies beyond the current boundaries in order to produce positive dividends, particularly for our most vulnerable and hardest to service populations. And I know, taking risks also means accepting degrees of failure. But that is alright if we are willing to learn and keep trying.

And we are not exempt, for I believe that the FCC should be willing to take some risks, to be creative, and look for new ways to promote our core values. Policies that are no longer necessary or inhibit innovation or competitive entry should be modified or eliminated. We should be open to embracing new policies. But most importantly, we must be willing to make

decisions as quickly as possible and not allow ourselves to be paralyzed by the fear of being wrong, if the goal to promote our core values is maintained.

The *Technology Transitions Order*, the FCC adopted in January, is a prime example of an agency looking for solutions to provide robust broadband in unserved or underserved areas. I applaud Chairman Wheeler for tackling this issue so quickly and soliciting expressions of interest on proposals to deploy robust broadband in rural communities.

These experiments have the potential to promote universal service in a way that the Commission has yet to by inviting all interested entities, including localities, electric coops, research and development networks, wireless providers, cable providers, as well incumbent telcos to submit proposals and express interest.

For as well intentioned as we may be at the federal level, too often we craft policies from a singular matrix and attempt to fit an urban peg and a rural hole. And all too often, when we do so in this manner, we fall incredibly short because the challenges and the solutions for these communities are not congruent.

So I hope you join in my excitement about these experiments because these trials could unleash opportunities for solutions from rural areas for rural areas. To date, nearly 1000 proposals from mostly local, community-based entities have been filed at the FCC showing a significant demand for robust broadband. They include innovative ideas and proposals from electric coops leveraging their existing network to provide fiber-to-the-home; to community-based initiatives wishing to construct broadband sometimes in partnership with other entities; to cable providers, research and development networks, WISPs, wireless providers – and we even got proposals involving TV whitespaces. While the FCC is still evaluating these and their relative merits in order to develop an Order and budget, these experiments could enable rural communities to be incubators of innovation.

And this is not the first time rural areas have taken the lead in technology and innovation. As Jonathan Chambers, Chief of our Office of Strategic Planning, noted in his blog last week cable television was deployed first in rural areas because homes were unable to pick up a broadcast signal. Not so much time passed before these first generation cable companies showed the rest country that this service was not just for rural areas. And the rest, as they say, is history.

But let me note, that cable's entry would not have occurred but for regulation: Cable providers needed access to the utility poles to deploy networks. The Pole Attachments Act of 1978 made this possible and with technological advancements, today, cable providers offer robust broadband throughout their footprints as well as video and voice.

While I understand the instinct for many is to push for a deregulatory framework, there are potential dangers and consequences, in a regulatory free zone. For regulation has enabled tremendous growth and the Commission's policies are directly responsible for many of the things, we take for granted.

One such example is the Commission's decision to permit greater use of unlicensed spectrum. This has spurred one of our nation's greatest innovation engines. It has given us technologies such as baby monitors, cordless phones, Bluetooth, Radio Frequency Identification (or RFId), and Wi-Fi. Some of these technologies have led to the development of billion dollar industries. And while precise estimates vary, it is clear that, as of the end of 2013, billions of Bluetooth enabled devices have been sold worldwide.

But none of this would have been possible if the agency yielded to those who wanted us to stifle innovation in this area. Remember when unlicensed Wi-Fi technology began to gain momentum several years ago, a number of commercial wireless providers complained that Wi-Fi networks would cause interference. They argued that the FCC should allocate more spectrum as primary, exclusive use licenses.

But today, many of the largest commercial wireless service providers manage their customers' demand for Internet broadband data services by shifting that traffic from licensed networks to unlicensed Wi-Fi networks. Last month, an economist reported that about 60 percent of smartphone data traffic is being transmitted over Wi-Fi connections.

Service using unlicensed spectrum can also help bridge the digital divide. Despite the amount of spectrum that the FCC has auctioned over the years, there are a number of areas in this country – rural areas and low income urban communities – that have no broadband providers or do not have many choices.

As a result of the 2010 Final Rules, which the Commission adopted for unlicensed use of the TV White Spaces, we have created another opportunity for innovation to connect, unserved and underserved communities. Since the Commission initiated its TV White Space proceeding about ten years ago, every FCC Commissioner has supported the development of unlicensed services in TV White Spaces.

We have already seen in Virginia and North Carolina that TV White Space devices using lower cost unlicensed spectrum can successfully bring affordable wireless broadband services to both rural areas and low-income urban communities. This past summer, West Virginia University started deploying TV White Spaces through the Metro system that serves the campus and neighboring communities. The main reason that university opted for White Spaces is because the mountains and other geographic characteristics present huge challenges to wireless companies.

There are initiatives, such as AIR.U – a partnership of Gig.U, New America Foundation, the United Negro College Fund, Google, Microsoft, and others -- helping universities to take advantage of these services. Some of these institutions are located in rural areas and struggle to find affordable broadband solutions. AIR.U offers a low-cost means to provide increased coverage and capacity, which helps to stimulate and aggregate demand in the adjacent community and spur investment in TV White Space technology.

In similar vein, I have also long advocated against laws that prohibit localities from entering markets particularly when existing providers have not responded to the needs and demands for advanced services in these underserved areas. I am encouraged that Chairman Wheeler has announced his intention to evaluate the impact of these so called muni broadband laws and look forward to working with him and my colleagues to promote more competition in this space.

As I close, I wish to encourage this audience and other stakeholders to continue to share their thoughts on how the FCC can modernize its rules in line with our shared, core values. Let's get beyond the rhetoric and talking points of deregulation versus the status quo. Neither option, quite frankly, is realistic. Sound, specific proposals that advance the bar are the best means for prompt decision-making and a healthy marketplace.

Thank you.