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Good morning. Thank you Hubertus von Roenne for that lovely introduction.

For those of you who are unfamiliar with the job of the Counselor to the FCC Chairman, I would say that I am part legal advisor, part outreach leader and part surrogate. In other words, I am constantly exhausted! So I'm excited to get out of Washington and energized to be with all of you.

I am delighted to have this opportunity to talk about the work the US Federal Communications Commission has done under Chairman Tom Wheeler, and what's in store for the future. I'd like you to understand not only what we are doing at the FCC, but why we are doing it.

At the FCC, we believe our job is to maximize the benefits of communications technology for the American people. And our regulatory approach centers on two goals: promoting innovation and investment in networks and services, while ensuring that the values underlying our communications networks are preserved as technology changes. Values such as universal access, consumer protection, public safety and competition.

I recognize that these are many of the same values that are at the heart of the EU's Digital Single Market Strategy. While our commercial markets differ and may, at times, require different policy solutions, these common values unite us. And I look forward to learning from you and working with you to harness the power of communications technology to improve the lives of people at home and across the globe.

INTRODUCTION

This is an extraordinarily important and exciting time for those who use and oversee the networks that connect us. Broadband and the broadband-enabled Internet are the most powerful and pervasive communications platforms in the history of the planet – they present unparalleled opportunities to reach people at unprecedented speeds.

You're probably familiar with the statistics behind this technological wave but, as a reminder: Mobile networks cover about 95 percent of the world's population and mobile Internet service covers nearly half. There are also, approximately, three billion Internet users worldwide.

With such widespread deployment, it is not surprising that there are currently 15 billion devices connected to the Internet. In the next five years, that number has been projected to more than triple and grow to 50 billion devices. McKinsey estimates that the emerging Internet of Things could generate up to $11 trillion in economic value over the next decade.

For all the progress we've seen, more than four billion people on our planet are not yet connected to the Internet. In the 49 least developed countries, over 90 percent of the population is not online. About 10 million Americans can't get wired broadband at any speed if they wanted it because the

infrastructure is not in place. Additionally, at the end of 2014, approximately 22 million Europeans were without fixed broadband coverage.

We can and must change this to bring opportunities to the world's human capital. To help solve this divide, international governments, NGOs, and major corporations have come together to sponsor initiatives like "Global Connect" – a program that seeks to connect an additional 1.5 billion people to the Internet by 2020.

It is an honor for me to work for a United States Commission that participates so extensively in this and similar initiatives that bring critical infrastructure and resources to the public. But I know that the FCC cannot do such work alone. Through the FCC's International Bureau, the FCC communicates and partners with foreign officials, industry executives, and members of civil society. Cross border exchanges help us to share our experiences with our regulatory counterparts abroad and learn by comparing different approaches to similar challenges. It also helps us move towards better harmonization that is key for our global society.

COMPETITION

I opened my remarks by talking briefly about the values the FCC has sought to preserve since Chairman Wheeler took office in November 2013. Today, I'd like to highlight what we see as the most effective tool for achieving our goals: competition. Simply put, a thriving, competitive market advances the public interest and promotes innovation and investment across the ICT sector. The benefits of competition are well documented in many communications spheres -- long distance, wireless, customer-premises equipment, and information services. However, in the broadband market, more work needs to be done for consumers and industry alike to realize the full range of benefits that competition can provide.

Thus, the Chairman has laid out a three-step process for ensuring greater competition in the broadband market:

- Where competition exists, the FCC will work to protect it.
- Where greater competition can exist, the FCC will encourage it.
- And where competition cannot be expected to exist, we will not hesitate to act to protect consumers and advance the public interest.

Let me take each of these in turn.

Protecting Existing Competition

Throughout all of our initiatives that promote existing competition, the FCC has remained committed to protecting consumers and businesses during the technological transitions to next-generation networks. When the adoption of new fiber and IP based communications technology reaches a critical mass – or a "tipping point" -- providers understandably may want to cease offering the legacy services of analog switch- and copper-based networks. These transitions can bring tremendous benefits in the form of innovation, opportunities, and services to the public. But as with any major transition, there can be unintended effects that need to be addressed to ensure that consumers and competition are protected.

Look at public safety. Fiber networks offer new exciting ways to interact such as through text or video, yet are more vulnerable to outages during emergencies because they do not carry their own power like their copper-based predecessors. To help mitigate this concern, the FCC adopted rules to require providers of IP-based phone services to notify consumers before copper-based networks are retired and to offer the option to buy backup power.

In addition, traditional network services have been a key component of competitive business data services. Competitive providers purchase these services as wholesale inputs to their own competitive offerings – providing businesses and other non-residential enterprises with customized services at competitive rates. Competitive providers and customers who depend on them face uncertainty if due to a change in technology, incumbent telecoms no longer provide these legacy services that are key to competition. The FCC addressed this concern by proposing an interim rule (pending the completion of a separate, broader proceeding) requiring that replacement services be offered to competitive providers at rates, terms, and conditions that are reasonably comparable to those of the legacy services.

Our transaction reviews are another example of how the Wheeler FCC has sought to protect existing competition. For example, the Commission recently looked at a proposed acquisition of the second-largest U.S. cable company, Time Warner Cable, by the largest U.S. cable company, Comcast.

Our investigation into this transaction concluded that a new and merged Comcast would have ended up with nearly 30 percent of all pay TV households and nearly 60 percent of high-speed broadband subscribers. Such findings raised red flags and competition concerns. As the head of the Department of Justice's Antitrust Division eloquently noted, such "leverage would have left Comcast with too much control and with too few competitors when shaping the future of video competition and broadband Internet service" – two markets that are becoming increasingly intertwined.

While the full Commission was never presented with nor made a final decision on the transaction, FCC staff informed the companies of our serious concerns that the merger risks outweighed the benefits to the public interest. Shortly thereafter Comcast abandoned its acquisition bid.

Encouraging Greater Competition

Changes in technology can also require external encouragement for the potential of competition to be realized. For example, one of the highest priorities of the Chairman since taking office is the FCC's historic incentive auction. This auction will allow over-the-air broadcasters to sell their spectrum rights back to the FCC, which will then auction it to wireless broadband companies.

The auction will harness the economics of demand for spectrum in order to allow market forces to determine its highest and most efficient use. Participation in the auction is purely voluntary. Yet, as broadcasters big and small have become more familiar with the opportunity the auction presents for an infusion of cash, more and more have expressed interest in participating.

One of the key pro-competitive traits of the incentive auction is the first-of-its-kind spectrum "reserve." In each license area, up to 30 MHz of spectrum will be reserved for nationwide and non-nationwide providers who currently hold less than one third of available high-quality low-band spectrum in that license area. With more than 70 percent of low-band spectrum in the hands of just two providers, this reserve assures that multiple providers without significant amounts of low-band spectrum have a meaningful opportunity to acquire these valuable airwaves.

Encouraging greater competition can also mean updating rules or otherwise reviewing particular practices when facts change on the ground. This is why our Wireline Competition Bureau recently initiated an investigation into the business data (also known as special access) service plan terms and conditions of several major incumbent carriers.

Business data services transport voice and data over a dedicated transmission line between designated points at a set upstream/downstream rate. Consumers, small businesses, government offices, hospitals, and ATMs frequently use these services to complete transmissions via the Internet. The FCC has an obligation to ensure that business data lines are provided at reasonable rates and on reasonable terms and conditions.

Competitive carriers allege that incumbent carriers have "locked up" the business data services market using terms and conditions that are anti-competitive and unreasonable. The incumbents defend these terms and conditions as reasonable business practices that are commonly employed in the marketplace. The point of the Bureau's inquiry is to find out what is really happening, given how important business data services are to a well-functioning communications marketplace.

Last, but not least, the Commission has sought to reduce special-interest roadblocks set up by incumbents to limit competition.

Across America, communities have concluded that existing private sector broadband offerings are not meeting their needs and the only solution is to become directly involved in broadband deployment.

Some communities have worked with private sector providers to facilitate improved broadband service. Others have entered into various forms of public private partnerships. Still other communities have decided to deploy broadband networks themselves.

But in 19 states, community broadband efforts have been blocked by restrictive state laws. At first blush, that doesn't make any sense. Until you realize that these laws are often passed due to heavy lobbying support by incumbent broadband providers.

Two cities, Chattanooga, Tennessee and Wilson, North Carolina, decided to fight back. Both have successfully deployed community broadband networks, but state laws are preventing them from expanding their networks to surrounding areas. Chattanooga and Wilson petitioned the FCC to pre-empt the restrictive state laws hampering investment and deployment in their areas. Earlier this year, the Commission granted both petitions.

The Commission respects the important role of state governments in our federal system, and we do not take the matter of preempting state laws lightly. But when state laws directly conflict with Federal laws and policy, we will not be afraid to act. By approving these petitions, we sent a clear message that we believe the American people, through their elected local officials, have the right to make their own decision about their broadband future.

And we are not alone in our view. Two weeks ago, 44 cities and counties in the state of Colorado voted to override the state law that prohibits the building of community broadband networks. Our hope is that more of these state restrictions on community broadband will fall as citizens and their

representatives realize that broadband is as critical to the lifeblood of their communities as water and electricity.

Advancing the Public Interest Where Competition Cannot Be Expected to Exist

Of course, there are some parts of the United States where competition cannot be expected to exist. It is not always economic for private firms to build broadband networks. Particularly in rural America, preserving the value of universal access is where the United States faces some of our toughest challenges.

About 40% of rural Americans lack access to fixed broadband at download speeds of 25 megabits per second or more. And while an impressive 98 percent of the US population is covered by 4G service, it still means 6 million Americans are unserved. But the "digital divide" is not limited to rural Americans. Only 48 percent of Americans making under $25,000 have broadband service at home.

The costs of such digital exclusion are staggering. Job applications are increasingly online only - if you can't get online, you can't get a job. Children increasingly need broadband access to do their homework. Moreover, I hear anecdotal evidence all the time about how young people in unconnected towns feel compelled to move elsewhere - there is a tangible fear in towns without broadband of a bleak economic future.

Bottom line - if you live in an underserved community, you simply can't be a full participant in our modern economy and democracy.

For Americans without any access to broadband and who cannot afford broadband, the FCC has launched a comprehensive effort to modernize our "Universal Service" programs. These programs are designed to ensure that each and every American has access to our communications networks, no matter where they live or what their income level.

To help close the rural broadband gap, the FCC's Connect America Fund will provide over $9 billion dollars over the next six years for rural broadband deployment. These funds will expand broadband to nearly 7.3 million rural consumers in 45 states and one US territory.

To help close the income-based broadband gap, the FCC is proposing to allow its low-income Lifeline program to subsidize broadband service. Starting in 1985, the FCC's Lifeline program has provided a small subsidy first for wireline and then for wireless telephone service. Over a span of three decades, the program has helped tens of millions of Americans afford basic phone service. But as communications technologies and markets evolve, the Lifeline program also has to evolve to remain relevant. The FCC must ensure that everyone, including the poorest and most vulnerable, can share in the benefits that broadband enables.

FAST AND OPEN INTERNET

A lack of competition for wireline broadband has not only required FCC action to help close the digital divide, it also spurred efforts to assure the Internet is fast and open.

When I arrived at the FCC with Chairman Wheeler two years ago, the speed benchmark for broadband was 4 megabits-per-second down and one-megabit-per-second up. That's less bandwidth than what is

recommended to stream a single HD video. Now consider that the average connected household has seven Internet-connected devices -- including televisions, desktops, laptops, tablets, and smartphones.

Meeting the needs of a modern connected family with four megabit broadband isn't just difficult; it's impossible.

That's why, earlier this year, the FCC set a new speed benchmark for broadband service of 25 Mbps down and 3 up – a standard that reflects recent advances in technology, market offerings by providers, and consumer demand. We've also increased the speed that must be offered under our universal service program for rural areas to 10 Mbps down and 1 up.

Perhaps the biggest key to preserving the Internet as a platform for innovation is preserving its open design, which enables innovation without permission. This February, the FCC adopted the strongest open Internet protections ever proposed by the Commission. These rules flatly prohibit paid prioritization, blocking, and throttling by broadband Internet access service providers, and will assure the rights of consumers and innovators to use the Internet without interference from gatekeepers. These rules reclassified broadband internet access as a "telecommunications service" and tailored the regulatory requirements for broadband to fit the digital age. Among other things, this meant no rate regulation, no forced unbundling, or other traditional forms of "utility" regulation.

Despite protests from some industry insiders, the virtuous cycle of innovation and investment is alive and well because of, not in spite of, the Open Internet Order. This is in large part due to our decision to apply a modern, light-touch regulatory structure that recognizes that while many of the rules governing telephone networks do not make sense in a broadband age, those that preserve the timeless values of universal access, consumer protection, public safety and competition should still apply.

CONCLUSION

The FCC strongly supports policy that recognizes access to broadband as essential to full participation in our society and economy. Creating opportunities for such access through light-touch regulations simultaneously promotes both competition and the public interest.

It's been my honor to share some of the FCC's accomplishments today. Working together, we can continue to harness the power of broadband technology, expand opportunity, and promote competition around the globe. Thank you.