

**Statement of FCC Commissioner Mignon L. Clyburn**  
Senate Committee on Commerce, Science, and Transportation  
Oversight of the Federal Communications Commission  
March 2, 2016

Chairman Thune, Ranking Member Nelson and members of the committee, good morning.

What a privilege it is for me to appear before you today. I have had the distinct honor, thanks in large part to this committee, of serving as an FCC Commissioner for nearly seven years and, prior to that, as a South Carolina state commissioner for 11 years. During these last 18 years, I have been committed to ensuring that there is a regulatory backstop in place to bridge divides in situations where the market either is not functioning properly or forecloses opportunities.

This morning, I would like to center my testimony on two Congressional directives relating to universal access and diversity.

**Universal access.** I took seriously my commitment to Chairman Thune to modernize the universal service support program for rate of return carriers and stop penalizing carriers whose customers migrate to broadband-only lines. This collaborative process, of which you should be proud, has resulted in reforms that I believe are a win-win for rural consumers and those who contribute to the Universal Service Fund. We have laid out a framework that modernizes the program in a manner that is simple, rewards efficiency, and sets forth a framework to ensure that we connect unserved households, and disaggregate support in areas served by an unsubsidized competitor. Support will be directed and targeted to areas that today lack access.

Did this come without difficulty? No it did not. Real change is rarely ever easy, but this modernization was necessary for us to promote rather than discourage broadband deployment in communities that need it the most. And, consistent with our 2011 reforms, there are no flash cuts but a gradual transition so providers have time to adjust to these changes.

I was pleased with the outcome and sincerely believe that this coordinated effort with both Commissioner O’Rielly and Chairman Wheeler satisfies our commitment to this Committee and adopts a sustainable framework to achieve our long-term universal service goals.

Updating our rate of return system adds to the list of universal service reforms that I am proud to say that I have supported since arriving at the FCC, including the 2011 reforms to universal service for price cap carriers, updating our E-rate program to close broadband connectivity gaps within our schools and libraries, and ensuring that rural health care providers have access to the telecommunications and broadband services their communities need and deserve. Collectively these reforms will help ensure that broadband access is a reality for all parts of our nation.

But as laudable as these universal service reforms are, the FCC still has work to do when it comes to addressing the lack of broadband access on Tribal Lands and gaps that remain in mobile broadband coverage throughout this nation. Millions of Americans are stuck in the digital darkness and lack the technological infrastructure needed to improve their lives, particularly when it comes to healthcare. I have visited communities and witnessed firsthand the transformative power of telemedicine, but such life-changing technologies like the ones I witnessed in Ruleville, Mississippi are only possible if broadband service is both available and

affordable. In areas where the private sector has not invested because the business case cannot be made, the FCC needs to do all in its power to step up and close these gaps.

Finally, it cannot be said that our job is done when it comes to Universal Service reform if we fail to modernize, or dare I say, completely overhaul the federal Lifeline Program. The FCC allocates over \$8 billion annually for deployment of advanced services but we lack any mechanism to ensure that once deployed, service is affordable. We cannot lose sight of the fact that Section 254 of the Act places the same weight on the needs of low income consumers as it does for those living in rural areas when it comes to access to advanced services and the FCC should never turn its back on that directive. We must abandon the too common pastime of simply criticizing the existing program and work collectively to find common sense solutions to truly fix whatever is deficient in Lifeline so that low income Americans may once and for all have access to those life-changing opportunities that broadband has unleashed for the rest of us.

I look forward to working with the Chairman, my colleagues and members of this Committee to close the gaps on Tribal Lands, adopt a permanent mobility fund, and modernize the Lifeline for the 21<sup>st</sup> Century.

**Diversity.** Section 257 of the Communications Act tasks the Commission with two important goals, to: (1) identify and eliminate market entry barriers for small businesses, and (2) promote the purposes of “favoring diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity.” Since 2010, I have been calling on the Commission to establish innovative and legally sustainable approaches for greater participation by new entrants and small businesses in all aspects of the communications industry. I am pleased to report that last summer, we reformed our Part 1 Competitive Bidding rules so that small businesses have increased flexibility needed to secure financing and develop business models to effectively compete in an increasingly consolidated wireless market. The upcoming incentive auction will offer applicants a unique opportunity to acquire substantial amounts of valuable wireless spectrum below 1 GHz. By adopting these reforms before that historic auction, we are enabling the deployment of mobile broadband networks in a manner that promotes competition and encourages new entrants to join the wireless service industry.

Fostering diversity is an important aspect of the Commission’s work. While we often speak about this issue in the context of the quadrennial media ownership review, and rightly so, diversity is also a concern in the multichannel video programming distribution marketplace. In my years at the Commission, I have met with and spoken to dozens of independent programmers who share a common refrain: each says that they are facing insurmountable challenges when it comes to acquiring carriage; that it is difficult to receive fair or reasonable contract terms; and growth in their online distribution model is inhibited, because program distribution access is often restricted via contract. And for every independent programmer that can reach an agreement with an MVPD, there are countless others that cannot get a simple phone call returned.

During last year’s AT&T/Direct TV merger, a number of these issues were raised yet again by many parties, including independent and network-affiliated programmers as well as small cable operators, who repeatedly requested relief. While we concluded that it was best not to deliberate these issues during merger considerations, the level of concern, I felt, merited a separate proceeding where we could explore and gain a better understanding of the video programming marketplace and whether certain practices by operators, as claimed, are limiting the ability to reach viewers. That is why I am pleased that my fellow Commissioners joined me in voting for the Independent Programming Notice of Inquiry, which was adopted during the

February meeting. Discussions about what role, if any, the Commission should play in addressing obstacles that may be preventing greater access by consumers to independent and diverse programming will be launched, triggering a fact-finding exercise that will start a conversation on how best to promote the availability of diverse and independent sources of video programming. While I am not sure where this conversation will take us, I am sure that it is time that we have it.

I am grateful for the opportunity to speak with you today and look forward to answering any questions you may have on how the FCC can continue to promote greater access to communications technologies and services for all Americans. Thank you.