

**Statement of
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Federal Communications Commission
Before the
Committee on Commerce, Science, and Transportation
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INTRODUCTION

Chairman Thune, Ranking Member Nelson, and Members of the Committee, thank you for this opportunity to discuss our work at the Federal Communications Commission.

Since we last met six months ago, the Commission has continued to make strong progress on our policy agenda. While I am pleased with this progress, our work is far from done. With each passing day, communications technology grows more important to our economy and quality of life. That means there's no letting up at the Commission. We must continue to promote core values like universal access, public safety, consumer protection, and competition at the same bold pace we have consistently maintained.

This testimony recaps major developments since our March hearing, and highlights some key priorities as we move forward.

KEY DEVELOPMENTS

Incentive Auction

After years of planning, and at the direction of Congress, we are in the midst of the historic incentive auction to make available greenfield low-band spectrum by repurposing a portion of the broadcast-TV band for wireless use.

When I last visited this Committee I noted that the auction's design allows for multiple stages of bidding in order to match the supply of spectrum from broadcasters with the demand expressed by wireless bidders. That process is playing out as designed. In the first stage of the auction we made available an initial clearing target of 126 MHz, but the cost to clear that amount of broadcast spectrum exceeded the bid prices of the wireless bidders. We therefore began the second stage on September 13 with a reverse auction to determine the cost to clear a reduced amount - 114 MHz - of spectrum. A second stage forward auction will follow the conclusion of the reverse.

We also continue to plan for the post-auction transition and repacking of TV stations. The Incentive Auction Task Force will soon release for discussion and

comment transition models to calculate the order and schedule of station relocation efforts. These models reflect the input we've received from broadcasters, wireless companies, tower crews, equipment manufacturers, and other stakeholders.

Getting the transition right is as important as getting the auction itself right. We continue to prioritize planning for an efficient and effective transition with minimal disruption to the viewing public. With the continued engagement of industry stakeholders, that's exactly what we'll get.

5G – Spectrum Frontiers

This July, the Commission unanimously adopted the Spectrum Frontiers Report and Order, our most significant step yet to accelerate the development and deployment of 5G wireless technology. This next generation of wireless connectivity promises quantum leaps forward in three key areas: speeds resembling fiber that are at least 10 times and maybe 100 times faster than today's 4G LTE networks; responsiveness less than one-thousandth of a second, which enables real-time communication; and network capacity multiples of what is available today.

Coupling this ultra-fast, low-latency, high-capacity connectivity with the almost unlimited processing power of the cloud will enable life-saving healthcare advances, smart-city energy grid and water systems, immersive education and entertainment, and, most importantly, new applications yet to be imagined.

By approving the Spectrum Frontiers item, the United States became the first country in the world to open up high-band spectrum for 5G networks and applications.

We are repeating the proven formula that made the United States the world leader in 4G: one, make spectrum available quickly and in sufficient amounts; two, give great flexibility to companies that can use the spectrum in expansive ways; and three, stay out of the way of technological development. We will also balance the needs of various different types of uses in these bands through effective sharing mechanisms; take steps to promote competitive access to this spectrum; encourage the development of secure networks and technologies from the beginning; and remove unnecessary hurdles to siting and infrastructure deployment.

Business Data Services

The Commission's Business Data Services proposal seeks to promote competition that will encourage innovation and investment. Long known as Special Access, Business Data Services offer the kind of dedicated access that wireless providers need to connect cell towers and antennas to their networks. Such dedicated network connections are also used by small businesses, retailers, banks, manufacturers, schools, hospitals, and universities to move large amounts of data.

In many areas, however, competition in the supply of Business Data Services remains limited, and that can translate into higher prices for wireless networks and businesses, which then

translates into higher prices for consumers. In April, the Commission launched its Business Data Services proceeding to help address this challenge.

To seize the opportunities to increase the deployment of mobile networks and to move towards 5G connectivity, we're going to need a lot more backhaul to handle the massive increase in data traffic. Lack of competition doesn't just hurt the deployment of wireless networks today, it also threatens to delay the buildout of 5G networks with its demand for many, many more backhaul connections to many, many more antennas. And it hurts the many businesses and institutions that rely on these services in an ever-increasing data-driven world.

The Commission has a long and complicated history with Business Data Services and the time has come for action. Reform is supported by the nation's leading wireless carriers, save one, and my goal is to conclude this proceeding no later than the end of this year.

Set-Top Boxes

Today, 99 percent of pay-TV consumers pay hundreds of dollars in set-top box rental fees on top of their monthly bill every year because they don't have meaningful alternatives. This February, the Commission launched a proceeding to assure consumer choice in the set-top box marketplace, as Congress mandated.

Over the past seven months, the Commission has conducted an open proceeding where we heard from pay-TV providers, programmers, device and software manufacturers, consumers groups, and, most important, the American people. I was heartened to see the industry and other stakeholders step up to tackle the issue with constructive feedback.

Last week, I circulated proposed rules to fulfill our Congressional mandate and provide consumers with choice in how they access pay-TV content. If adopted, consumers will no longer have to rent a set-top box, month after month, just to watch the programming they already pay for. Instead, pay-TV providers will be required to provide apps – free of charge – that consumers can download to a variety of devices to access all the programming they pay for.

Among other consumer benefits, these rules would enable integrated search across different sources of content and open the door for innovation, spurring new apps and devices, giving consumer more choice and control. Expanded access to programming created by independent and diverse voices on the same platform as your pay-TV provider's would mean consumers will more easily find content that is buried behind guides or not available from a pay-TV provider.

To ensure that all copyright and licensing agreements will remain intact and in response to feedback we received, the delivery of programming will continue to be overseen by pay-TV providers from end-to-end. The proposed rules also maintain important consumer protections regarding emergency alerting, accessibility and privacy.

Privacy

After months of talks with stakeholders, the Commission launched a proceeding in March to give consumers the tools they need to make informed decisions about how Internet Service Providers use and share their data, and confidence that ISPs are taking steps to keep that data secure – all while encouraging continued innovation by ISPs and other actors.

For the past six months, we've been listening, learning, and speaking with the public to figure out the best way to achieve these goals. Parties engaged in this process have included – among others – consumer and other public interest groups, fixed and mobile ISPs, advertisers, app and software developers, academics, other government actors, and individual consumers. The FTC's input has been particularly helpful as a key partner in consumer privacy protection.

I am confident we'll be able to arrive at final rules that are good for consumers and good for innovation later this year.

Robocalls

Robocalls are the top consumer complaint we receive at the Commission. Aside from simply being annoying, they are an invasion of privacy, and are rife with attempted, and unfortunately often successful, fraud and identity theft.

The Commission has taken strong action to crack down on robocalls. Last summer, we closed loopholes in the Telephone Consumer Protection Act, ensuring that robocallers face stiff consequences when they make unwanted calls and send unwanted texts. More recently, we imposed strong consumer protections on specific debt collection robocalls. But TCPA enforcement only works against those robocallers we can find and want to play by the rules.

This July, I wrote letters to major wireless and wireline telephone carriers, as well as the major gateway providers that sometimes transmit calls between other carriers, to say that consumers can no longer wait for additional tools to stop robocalls. I called on them to offer robust call blocking to their customers, free of charge. Industry responded aggressively by establishing the Robocall Strike Force, which is led by AT&T and includes representatives from telecommunications carriers, device manufacturers, operating system vendors, app developers, and other segments of the industry.

On August 19, the Commission hosted the first meeting of the Robocall Strike Force, where they set forth an aggressive timeline of 60 days to submit recommendations. On behalf of consumers, I am pleased that the Strike Force members have volunteered their time to come together to attack the robocall epidemic, and I look forward to the results in October.

Lifeline Modernization

Three weeks after I last appeared before this Committee, the Commission adopted an Order to modernize the Lifeline program. Lifeline was established during the Reagan administration and updated during the second Bush administration based on one simple concept:

that we must provide assistance so that low-income Americans can access the dominant communication network of the day. In the Reagan era, that was the telephone network. In the Bush era, that was the cell phone network. Today that's broadband.

Accordingly, the first thing the Order does is to allow the support that the Bush administration extended to cell phone service to now be applied to broadband, whether wired or wireless, under the same kinds of conditions.

The Order also institutes good management practices that will dramatically reduce waste, fraud, and abuse. We started from a strong foundation laid by Chairman Genachowski and Chairwoman Clyburn who established a database to see if Lifeline consumers were double dipping. Correcting this flaw in the program's earlier expansion has already paid off by reducing payments by over a billion dollars to ineligible recipients who gamed the system.

I am proud of the work that has been done over the years to shore up the Lifeline program and prevent future fraud. We will continue to work diligently to make sure that important safeguards are in place for this vital program.

Open Internet Decision

On June 14, the D.C. Circuit upheld the FCC's Open Internet Rules. The court's ruling is a victory for consumers and innovators who deserve unfettered access to the entire web, and it ensures the internet remains a platform for unparalleled innovation, free expression, and economic growth. After a decade of debate and legal battles, this ruling affirms the Commission's ability to enforce the strongest possible internet protections – both on fixed and mobile networks – that will ensure the internet remains open, now and in the future.

LOOKING AHEAD

Next-Generation 911

During my tenure as FCC Chairman, and in my prior testimony before this Subcommittee, I have been very vocal about the urgent need to improve our 911 system. The recent tragedies in Orlando, Louisiana, and too many other cities highlight the importance of 911 in times of crisis.

The Commission has taken action to improve the quality and accuracy of 911, and there is good news to report. We see industry is stepping up to many of the challenges, improving 911 location accuracy, supporting text-to-911, and generally investing to improve network reliability and resiliency.

But effective 911 service depends on our nation's 911 call centers. These Public Safety Answering Points, or PSAPs, must have technology to receive and process calls quickly, accurately locate callers, and dispatch an appropriate response. The unfortunate fact is that 911, designed originally for analog voice, doesn't scale effortlessly to the advanced digital, wireless, and multi-media technology landscape. In too many communities, the PSAPs are relying on

dangerously out of date technology, and the transition to Next Generation 911 (NG911) – envisioned by Congress in 1999 when it established 911 as the national emergency number – has not started or is stalled. Resource-strapped local jurisdictions struggle to maintain existing 911 service, let alone to achieve Congress’s NG911 vision.

Industry and many states, counties, and cities are working hard to address transition risk and achieve NG911 capabilities. Nearly 20 percent of counties now support text-to-911. Many jurisdictions are building out their Emergency Services IP Networks – the basic backbone for NG911 in their communities.

But these islands of progress are the exception, not the rule. Unless we find a way to help the nation’s PSAPs overcome the funding, planning, and operational challenges they face as commercial communications networks evolve, NG911 will remain beyond the reach for much of the nation. Let me be clear on this point: 911 service quality will not stay where it is today, it will degrade if we don’t invest in NG911.

Congress has the unique ability to accelerate the transition to NG911. A clear national call to action, with timely application of resources, would actually lower NG911 transition costs by shortening the transition period and enabling 911 authorities to retire costly legacy facilities more quickly. Here are three ways that Congress could help:

National 911 Map: PSAPs are increasingly dependent on electronic maps for 911 routing and location, but the maps that they rely on should not end at the county or state line. Congress could authorize and fund the FCC (in collaboration with DOT) to create a national 911 map that would be available to every PSAP and would eliminate the seams between commercial communications network infrastructure and emergency response dispatch systems.

Cybersecurity Defenses for PSAPs: PSAPs face the same cyber vulnerabilities that have proven so challenging to both government and commercial organizations, but most lack trained workforce and the necessary tools for cyber defense. Congress could bring PSAP IP Networks under the protective umbrella of DHS’s “Einstein” program by funding the deployment of intrusion detection sensors for NG911 networks.

National NG911 Implementation Date with Matching Funds: Currently, there is no national timetable or target date for completing the transition to NG911. Congress could establish a nationwide NG911 implementation date (e.g., to complete the transition by the end of 2020) and authorize matching funds to help state and local communities achieve this goal. Congress can further jump start this effort by ensuring that federally run PSAPs and Emergency Operations Centers make achievement of NG911 capability a funding priority.

This Committee has commendably made public safety a priority, and I urge you to do everything in your power to make sure our nation’s 911 system evolves safely as it adjusts to achieve your NG911 vision and that PSAPs have the tools and support they need to avoid undue risk in the transition.

Cybersecurity

One of the most important missions of the FCC is to ensure our nation's commercial communications infrastructure supports public safety and national security. The vulnerability of advanced telecommunications networks to physical and cyber-attack is not lost upon us. We have and will continue to work closely with industry and our agency partners to identify, mitigate and where possible reduce cybersecurity risk.

Cybersecurity principles – availability, integrity, and confidentiality – are now routinely incorporated in our engagement with industry. Our advisory committees are doing important work tackling tough cybersecurity issues for current and future networks. Our approach is to have communication providers and their industry partners lead while the FCC brings useful assistance and transparency to ensure that this effort benefits from early peer review and serves to accelerate development of 5G devices and services. We believe that this approach will accelerate U.S. deployment of secure, reliable, and highly functional 5G networks.

CONCLUSION

The Commission remains focused on harnessing the power of communications technology to grow our economy and enhance U.S. leadership while preserving timeless values like universal service. While there are disagreements about many of the issues I've outlined, we can all agree on the importance of the Commission's core functions that are critical to U.S. economy, businesses, and consumers. I look forward to continuing to work with members of this Committee on these and other matters.