

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Allowing Earlier Equipment Marketing and Importation Opportunities*, ET Docket No. 20-382, RM-11857.

As we enter the apex of the holiday season, I'm sure that—like me—you've seen a broad array of advertisements, displays, and listicles featuring the latest in technological gadgetry. From cutting-edge smartphones to fitness trackers to connected home appliances, this year, as in years past, the (virtual) shelves will dazzle the imagination with the latest must-have devices. It's peak nerd—and it's fantastic.

A closer look at many of these soon-to-be-gifted items may reveal an FCC logo or other identifier. That's because such devices are subject to the FCC's equipment authorization procedures and rules for marketing and operation of radio frequency devices. FCC rules regulate the sale, lease, importation, shipment, and distribution of any device which is capable of emitting radiofrequency energy. These regulations allow the FCC to carry out its responsibilities under the Communications Act and various international treaties.

However, as important as these rules are to protecting consumers, preventing harmful interference, and promoting efficient spectrum use, it's equally important that our rules keep pace with technological innovation and rapid product development. In that spirit, the Commission has regularly reviewed its equipment authorization regulations and eliminated or modernized those that are unnecessary or outdated. Most recently, in 2017 we streamlined our rules by combining two self-approval procedures into a simplified Supplier's Declaration of Conformity, codifying contemporary e-labeling practices, increasing the number of devices that may be imported for demonstration purposes at trade shows, and eliminating an outdated and burdensome filing requirement for imported devices, all while still ensuring proper accountability for these devices.

Today's Notice of Proposed Rulemaking builds upon prior reforms to our equipment authorization regulations. We propose two changes that, if adopted, would help to bring products to market faster. And we seek public input on each.

First, we propose to permit the conditional sale of radiofrequency devices to consumers before a device receives authorization. This rule change would extend to consumers the exception for conditional sales contracts that already exists for wholesalers and retailers, and would recognize the importance of pre-launch orders, crowdfunding, and other alternative marketing and distribution methods for bringing new equipment to market. However, it is important to note that, under this proposal, products would not actually be delivered to consumers unless and until the product receives an equipment authorization.

Second, we propose modernizing the Commission's rules to permit the importation, for pre-sale activities, of a small number of devices prior to them being certified. This would allow manufacturers to package and ship devices to retail locations for limited purposes, as well as load devices with software to demonstrate the device's features and capabilities.

And once again, our goal here is clear: We're aiming to reform our equipment authorization rules to benefit consumers without undermining the original purpose of these rules, namely, consumer protection.

I want to thank Commissioner O'Rielly for his vocal advocacy on this issue. And I want to thank the following FCC staff for their work on this item (they deserve more than coal in their holiday stockings for their efforts): From the Office of Engineering and Technology: Brian Butler, David Duarte, Ira Keltz, Siobahn Philemon, Jamison Prime, Ron Repasi, Tom Struble, Jim Szeliga, George Tannahill, Alfonso Tarditi, and Ron Williams; from the Consumer and Governmental Affairs Bureau: Ed Bartholme and Kim Wild; from the Enforcement Bureau: Daniela Arregui, Matt Gibson, Jason Koslofsky, Shannon Lipp,

Jeremy Marcus, and Neal McNeil; from the Office of Economics and Analytics: Kate Matraves, Michelle Shaefer, and Patrick Sun; from the Office of General Counsel: David Horowitz, Doug Klein, and Bill Richardson; and from the Wireless Telecommunications Bureau: Wes Platt.