

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: Fostering Innovation and Investment in the Wireless Communications Market (GN Docket No. 09-157); A National Broadband Plan For Our Future (GN Docket No. 09-51)

Maximizing and accelerating innovation and investment, along with ensuring competition and empowering consumers, are core components of the FCC's mission. The first inquiry we initiate today focuses on innovation and investment in wireless communications. Specifically, we seek to identify appropriate and concrete steps the Commission can take to support and encourage further innovation and investment in this area, and to understand better the factors that encourage innovation and investment in wireless.

With respect to mobile, it is hard to think of a sector of the communications marketplace that better illustrates the potential of innovation coupled with investment. Over the past decade and a half, cell phones have gone from something accessible to a relatively small segment of the population – just 33.8 million users in 1995 – to an indispensable device carried by over 270 million Americans today.

With the advent of extraordinary and innovative new devices like the iPhone, Pre, and Blackberry, we are on the verge of a second transformation: from mobile voice to mobile broadband, from handheld devices that can do just one thing to smart mobile mini-computers that can do almost anything at all. The remarkable devices we see today, and the consumer enthusiasm surrounding them, are just a start—recent projections indicate that smartphones may outsell personal computers by 2011. It is essential that the U.S. become the leader in this new wireless marketplace.

Of course, no one can really predict with confidence exactly how the revolution in mobile broadband will ultimately affect our society and our economy. But it doesn't take a crystal ball to see that the effects are going to be deep and far-reaching. Mobile broadband will create and support many of the great companies, technologies, and applications of tomorrow. It will play an essential role in supporting the long-term health of our economy and creating new jobs for American workers. It will enable all of us to be more productive and more connected everywhere we go. And, I believe, it will have positive consequences for our nation's ability to solve pressing problems like health care, energy, education, and public safety.

The FCC, as the agency entrusted with managing the public airwaves, will play critical role in this process. The FCC's decisions on how spectrum is allocated, assigned, and licensed (or unlicensed); on how interference is defined, disputes are adjudicated, band-sharing is administered; on how equipment is authorized and experimental licenses are granted or denied; and on a whole host of other questions discussed in today's Notice, will have a profound impact on how the wireless marketplace develops.

The Commission's history in this area holds great examples of success, such as the PCS auctions, the creation of the unlicensed regime that enabled Wi-Fi and Bluetooth, and other powerful innovations. But there are also examples of failures—band plans and services that failed to attract users, lay fallow or near-fallow for years, and needed to be reconsidered after much wasted effort and time.

In short, at times the Commission has gotten it right, and at times it has gotten it wrong. The purpose of initiating today's inquiry is to make sure that we get it right as we move into the brave new world of wireless broadband.

It is important as well to note that the nature of innovation is not constant—indeed it has changed significantly in recent time. Our digital era allows for greater collaboration, rapid iteration, and faster

times to market. These trends have affected innovation at large companies, some of which are responsible for truly impressive recent innovations. And these trends have also created a new generation of innovators, working with new tools, on new platforms, and having an extraordinary impact on our economy and society. This is great news for the communications marketplace and for communications consumers. It is essential that the Commission come to grips with this new world, take seriously the new opportunities and the new challenges, and be relentless about developing policies that maximize and accelerate innovation and investment.