

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

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

I thank the Chairman for bringing this notice to fruition on today's agenda. It contains proposals for which I have strongly advocated, both publicly and in private conversations with the Chairman and his staff. While I will not be here to vote on future items that will bring it to completion, I will be cheering from the sidelines as the Commission makes these commonsense updates to its equipment authorization process, after reviewing the requisite record, of course. All indications are that, by early next year, this item's conclusion will result in a bipartisan FCC moment, endorsed by Capitol Hill, including by Senator Moran and Congresswoman Clarke.

As outlined in the presentations, the simple and justified proposed fixes to our equipment authorization process address two distinct problems. First, this item would eliminate the Commission's prohibition on pre-sale of electronic devices that have not received prior authorization, and second, it proposes to allow the importation of a set number of devices prior to final authorization.

Buying goods before they reach store shelves is an immensely popular practice, and many Americans are more than comfortable doing so in today's consumer marketplace. It's commonplace for there to be pre-sale periods for the next best-selling novel, movie to be streamed, car model, and gaming console, not to mention every concept that has appeared on Kickstarter. It is not a great leap to suggest that this practice can and should be permitted for communications devices, allowing consumers and manufacturers to benefit from a true pre-sale process that occurs before every regulatory "t" is crossed and "i" is dotted. The benefits of allowing this practice will be many: beyond getting technology into the hands of consumers faster, it will help innovators and manufacturers gauge interest in their products, providing insight into what resources will be needed, how many devices and products should be manufactured to cover demand, and whether there is even demand in the first place to justify a business case for the product.

As I highlighted in my June blog, developing new products is a story of feast or famine, especially when it comes to the latest electronic devices. Making it from the creative, research, and development phases to the final product stage is arduous, time consuming, and takes significant capital investment. And, for every Alexa, there are many 3D TVs that fail to win over the public. Anything that can reduce the costs of bringing innovation to the market, especially in the complex and competitive communications sector, should be pursued vigorously.

Appropriately, the item suggests certain safeguards and seeks comment on ways to ensure these products do not end up in the hands of consumers before the appropriate equipment authorization is received. While some of these ideas are more regulatory than I would like, I trust that the Commission will adopt only those that are absolutely necessary.

In addition to allowing for pre-sale of devices, today's notice similarly proposes to tweak the Commission's rules to allow a set number of devices to be imported prior to equipment authorization. Currently, a very limited number of devices can be imported for trade shows, testing, and other specific purposes, but not for retail display, advertising, and preparation for public sale. Expanding our importation rules will allow manufacturers to advertise and plan marketing campaigns, increasing the chances of a successful product rollout, even if the equipment authorization is delayed. As with the pre-sale of devices, similar safeguards can be put in place to protect against consumer harms or instances of harmful interference if the equipment authorization is not ultimately received. Further, this small exception will have a negligible effect on the overall importation of foreign devices and will not disadvantage the success of U.S.-made products in any way.

Admittedly, in the grand scheme of things, these may not seem to be the most significant or monumental proposals to be contemplated by this Commission. While I have certainly focused the bulk of my FCC work on the most far-reaching decisions, I have also tackled less prominent matters like this one, which, despite its low-profile, would tremendously benefit consumers. It's therefore rewarding, and somewhat fitting, to bookend the first FCC item I led, e-labeling, with these proposals for fixing equipment authorization.

I request my colleagues' support on this item and help in finishing this proceeding.