REMARKS OF
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Good morning and thank you for that warm introduction. It's a pleasure to be with you all this morning and to be in beautiful Asheville, North Carolina. We aren't too far from my old stomping grounds in Upstate South Carolina, a place that still feels like home even after many decades in Washington. And I am lucky to have as a colleague at the FCC someone you know well from her days as a state regulator, Mignon Clyburn— a stalwart advocate for consumers and a great ally for our colleagues in state and local governments.

I've been privileged to serve at the Federal Communications Commission for ten years as of this month. What a decade it's been in communications! In so many ways, we are worlds beyond where we were in May of 2001 in terms of technology, mind-boggling innovation and new services for consumers. For someone who can remember traipsing around the Upper Peninsula of Michigan as a kid and using an old crank phone in the town's general store to call my parents back home, it's been quite a ride. But some things remain the same—namely, the need for policies that will continue to spur innovation, promote competition, and ensure that every American shares in the benefits of broadband.

Getting broadband out to all our citizens is not just something that would be nice for us to do. It is something essential for us to do if we want to provide individuals the opportunity to live productive and fulfilling lives in the Twenty-first century and something equally imperative if we want our country to have a competitive edge in this challenging world. It has been my conviction since I arrived at the Commission that broadband is critical to America's future. Broadband intersects with just about every great challenge confronting our nation today—be it creating jobs, expanding equal opportunity, providing quality education, overcoming our costly energy dependence, ensuring health care for everyone, maintaining a nourishing environment, empowering people with disabilities, restoring our global competitiveness, and making sure we have the news and information that our country's democratic dialogue requires to sustain itself. There is no solution for any of these challenges that does not have a broadband component to it. Economic recovery and job creation depend upon all of us having the information tools we need to develop ourselves, find opportunity, and help our nation compete. So high-speed Internet access is not a luxury in today's world—it is an absolute necessity.

I'm pleased to say that our present FCC has gotten on-track in understanding the high stakes of the broadband game. We've come a long way. And we needed a reality check because for most of the first eight years of my tenure, the previous Commissions took American consumers on a dangerous deregulatory ride across just about the entire gamut of the telecommunications and media landscape. Instead of looking to the public

interest as our guiding lodestar, the Commission spent far too much of its time enacting policies designed to benefit big, incumbent interests rather than consumers and their local communities. In the process we missed opportunities to develop essential private-public sector partnerships and, very importantly, to work collaboratively with states and local jurisdictions to craft policies to bring the wonders of telecommunications to all our citizens. In the process, the Commission moved to remove broadband from the definition of advanced services and almost completely divorced itself from any public policy input into how this infrastructure would be built.

We have a long and successful history of infrastructure-building in this country. Earlier generations met and mastered their own great infrastructure imperatives—things that had to be built if the country was to continue its forward march. You can go all the way back to our national beginnings and see it. You and I have talked about this before, so I'll just briefly mention it here. Those earlier generations built roads and bridges, turnpikes and canals to bring their growing young country together. Then came regional railroads and, after the Civil War, transcontinental railroads that connected what was by then a continental nation. Closer to our own time we built nationwide electricity grids, nearly universal plain old telephone service, and an elaborate interstate highway system. We did these gigantic infrastructure build-outs, more often than not, by working together—private enterprise in the lead, to be sure, but encouraged by visionary public policy, by a sense of where the country needed to go in order to redeem its promise and potential. We did it with proactive cooperation among federal, state and municipal governments. That was this country's framework—our "how-to" manual—for building up and moving forward. It's how we built the place!

But then, in the past decade or two or three, somehow we fell victim to a strange and totally unhistorical assumption that broadband—the roads and bridges and highways of the Twenty-first century—would get built without any special effort like those we had made earlier. We shied away from enlightened public policy encouragement on the silly and unbusiness-like assumption that business would build this new broadband infrastructure even in places where business had no incentive to go. That cost our country a lot. We lost precious time. We lost jobs. We sacrificed opportunities and clearly endangered our international competitiveness. We watched our global leadership fade as the United States fell further and further behind other countries. We can debate whether we fell to 10th or 15th or 24th place in broadband penetration, but I don't believe it's worth the argument. None of those rankings is where your country and mine ought to be!

So it was music to my ears when Congress, in early 2009, finally called for the development of a National Broadband Plan. Since my confirmation as a newly-minted Commissioner in 2001, I had been pushing for a national broadband strategy. Almost every other industrialized nation had one—it was long past time for us to get in the game. Congress tasked the FCC to develop the plan and, just over a year ago, the Commission delivered with a set of clear objectives and a considered strategy aimed at getting all Americans connected to fast and affordable broadband service.

Since the National Broadband Plan was released, the Commission has taken important actions to implement many of its recommendations. We've made improvements to the E-Rate program, so schools and libraries can bring higher-speed broadband at lower cost to their communities. We worked with our state colleagues to begin reforming the Lifeline and Link-Up programs. We revamped our pole attachment rules to promote competition and reduce barriers to broadband deployment, by ensuring that wireline and wireless service providers can obtain more timely access to infrastructure at reasonable rates. Just last month, the Commission approved data roaming rules so that customers of wireless carriers big and small can count on being able to use e-mail, social media, and all the myriad applications of their smartphones when they move about the country.

The Commission also took a step forward on an issue that has always been the centerpiece of my broadband agenda—preserving a free and open Internet. You don't have to dig very deeply to realize that most Americans have a broadband monopoly or, at best, duopoly from which to choose. Without adequate competition in the Internet access service market, allowing these companies to exercise unfettered control over consumer access to the Internet not only creates risks to technological innovation and economic growth, but also poses a real threat to freedom of speech and the future of our democracy. I'll talk a little more about that in a minute. My point here is that having rules of the road gives the communications industry the certainty it needs to do its job of building and managing this nation's great communications networks, operating within a public policy framework that gives consumers the protections they need and deserve.

So we've made some important down-payments to advance our broadband plan. But I am the first to acknowledge—indeed, to advocate—that there is more, much more, work to be done. But the good news is this—we have a tremendous opportunity this year to accomplish truly good and historic things. I'm an optimist. All five Commissioners at the FCC agree that reform of the Universal Service and Intercarrier Compensation systems is at the top of our agenda, and I believe we have an unprecedented level of agreement and commitment on the need to transform these legacy mechanisms to meet our going-forward communications infrastructure needs.

In the last century, our commitment to Universal Service ensured that almost all of our citizens—urban and rural—had access to "plain old telephone service"—POTS as it's called. But in this new century we need the "pretty awesome new stuff"—the PANS—too. The Pots and the pans! We need to find ways to do the same nearly-ubiquitous build-out for broadband because all of us benefit when more of us are connected. The Universal Service Fund and Intercarrier Compensation system are the reason that communications infrastructure has been deployed in many rural, insular, and high cost areas—those places where there would otherwise have never been a private sector business case for high-quality voice service or broadband. And we need to keep these accomplishments in mind as we reform the Fund. But the legacy support mechanisms that we have today are simply not up to meeting the challenges of the Digital Age. They are substantively obsolete and deficient. And they have lost the credibility they need to be sustained. Consumer credibility, market credibility and political

credibility—they're all gone. The current system is byzantine and broken—plagued by litigation, self-help, and market power as substitutes for the honest rules we need to minimize arbitrage, promote investment and deployment, and maximize the opportunity for new technologies to flourish.

The Commission has committed to rationalizing this system and to providing a stable and predictable framework for reform. We have our work cut out to deliver on that promise. To truly reshape these systems will require a commitment to shared sacrifice and an ability to rise above the clamor for whatever piece of the status quo that has been beneficial to any one particular private interest. Everyone is going to have to give a little so that we can together gain a lot. That includes me as a Commissioner—I know that I too will be making some compromises if we are going to get this out the door. I expect that we will have a comprehensive transition plan in place before the end of this year, including formative Reports and Orders that will put us well down the road toward a system that we've waited for far too long.

I want to emphasize to all parties with an interest in these proceedings—Universal Service and Intercarrier Compensation—that the time for everybody's best ideas is ***now***. We are beyond the time for "Dear Santa Claus" letters and self-serving wish lists, given the timetable the Commission is on to vote these items this summer. Anyone interested in being part of the solution needs to get to their bottom line, to their final proposals, ***now***. I remember the oft-repeated adage of my old boss, South Carolina's great Fritz Hollings, that "decisions without you are most often decisions against you," so folks need to get down to final ideas and bottom lines as the Commission writes its Orders in the weeks—yes, I said weeks—just ahead.

As we move forward on Universal Service and Intercarrier Compensation, along with the rest of our broadband agenda, the FCC cannot forget that we need to partner with our state and local colleagues. On that front, the Commission recently adopted a Notice of Inquiry that asks how we can work more effectively with state, local, Tribal, and federal entities to facilitate access to rights of way and wireless facility siting. I have always maintained that this kind of cooperation was envisioned and encouraged by the Telecommunications Act of 1996. We should always be mindful of, and build upon, the experiences and knowledge that exist in such abundance at all levels of government. This much we know: in order to spread the wonders of broadband to every corner of this country we are going to need a set of best practices in place that will both expand the reach and reduce the costs of deployment. While we work to make broadband a reality, we need to be cognizant of the authority that local, state and Tribal entities have over rights-of-way and the siting of wireless facilities. Getting high-speed, value-laden broadband out to every citizen in the land is, if it is to become reality, a partnership exercise. That means the private sector ***and*** the public sector—the pubic sector including federal, state and local levels. We need to gather the right data and input from all relevant stakeholders, so I encourage you all to participate in this proceeding.

Among the other recommendations of the National Broadband Plan, I know that many folks in this room cheered the recognition of the importance of the ability of tribal,

state, regional and local governments to build their own broadband networks. My colleague Commissioner Mignon Clyburn has been highlighting the importance of ***municipal broadband*** as an important tool to address the digital divides in our country. As most of you know, I have been pushing municipal broadband for a long, long time. When incumbent providers cannot serve the broadband needs of some localities, local governments should be allowed—no, encouraged—to step up to the plate and ensure that their citizens are not left on the wrong side of the great divide. So it is regrettable that some states are considering, and even passing, legislation that could hinder local solutions to bring the benefits of broadband to their communities. It's exactly the wrong way to go. In this context, too, our previous infrastructure challenges must be the guide. The successful history of rural electrification, as one example, is due in no small part to municipal electric cooperatives that lit up corners of this country where investor-owned utilities had little incentive to go. Those coops turned on the lights for a lot of people! You know, our country would be a lot better off if we would learn from our past rather than try to defy or deny it.

Finally, allow me to address something we need to think more about in the context of our changing communications landscape. We have a stark small "d" democratic challenge to overcome as we move into a new era of communications with one another. It is to foster a broad information infrastructure and to guarantee the flow of news and information throughout the land. This is not a new challenge. Our Founding Fathers considered this first with newspapers—the information infrastructure of their day. Washington, Jefferson and Madison understood that their fledgling country's future depended upon an informed citizenry, and they found ways—notably a large postal subsidy for the national distribution of newspapers—to ensure the widest possible dissemination of news and information to fuel the nation's conversation with itself. We sought to assure similar ubiquitous access with broadcast television, and further ensure that access of information when cable was a nascent industry. Now we must make sure that news and information are available through broadband and the Internet.

There is no doubt that many Americans are increasingly accessing news and information via the Internet—whether it's reading the newspaper digitally, watching a news station video online, reading various blogs, or going through a news aggregator to pick out the information they are looking for. There may be no greater benefit that broadband can deliver than its ability to help inform our civic dialogue and stimulate citizen engagement in our democracy. But we cannot put our heads in the digital sand and assume that in-depth news and accountability journalism will magically appear online while it has been disappearing in our traditional media. We all know, I think, that thousands of journalists are walking the street in search of a job rather than walking the beat in search of a story, and that hundreds of newsrooms have been shuttered or put on starvation diets. Investigative journalism is on the endangered species list. I won't go into the reasons why in great detail here, but the short version is an undisciplined era of rampant private sector speculation and consolidation that shrank news production and the process was aided and abetted by successive Federal Communications Commissions that encouraged it all, blessed it all, and walked willingly away from its public interest responsibilities. The newspaper and the TV newsroom still produce probably more than

90% of the news we get—even the news we read online—it's just that there's so much less of it—so much less in-depth reporting, so much less accountability journalism, so few reporters in state capitals and fewer bureaus around the world compared with what used to be.

Unless we fix the problems facing traditional news outlets, today's problems in journalism will only continue, and probably get worse, in the broadband world of tomorrow. Right now I don't see the model, the mass or the momentum in new media to fill the void that has eviscerated traditional media. And we don't have the time to wait for something that may never occur. We just have to find ways now to ensure that American citizens have access to a worthy media by reasserting public interest values for traditional broadcast media and taking other steps that I will be happy to talk about to make sure the digital world is able to realize its huge potential to nourish our democratic dialogue. And we need to be especially vigilant that we don't allow the dynamic, opportunity-creating potential of broadband and the Internet to travel down the same road of consolidation and homogenization that inflicted so much damage on traditional media.

We all remember that famous quote from Thomas Jefferson who, when talking about newspapers—the broadband of its time—said that, if given the choice, he would prefer newspapers without government over a government without newspapers. But that wasn't all he said. Jefferson went on to say, "But I should mean that every man should receive those papers, and be capable of reading them." At this critical juncture two hundred years later we would be wise to heed that advice. That is why I am also a supporter of what are called the new literacies—digital literacy, media literacy and news literacy. It's crucial that meaningful support is given to educate our citizens about how important this is to their futures and that they must learn how to navigate the awesome power of the Internet. It's crucial that, with the proliferation of websites, our young people—and us elders, too—can distinguish between trustworthy and not-so-trusty places on the Net and that we provide our young citizens the education they need to create media and to be their own editors. And it's crucial that our new town square of democracy, which will be paved with broadband bricks, is open to all and accessible by all. These are the kinds of things we need to be doing now, not only to instill the importance of quality journalism and find ways to support its creation, but to strengthen our democracy through a citizenry armed with the news and information it needs to make informed decisions about the future of our country.

Thank you for allowing me to share some of my thoughts with you about the challenges and opportunities ahead. We've got a lot of work to do to ensure that everyone in this country has equal opportunity in this new Digital Age—no matter who they are, where they live, or the particular circumstances of their individual lives. Working together, we can get this job done and keep the United States a world leader in technology, innovation, and consumer opportunity. We've done it before. I think we can do it again. Don't you?