

1 {York Stenographic Services, Inc.}

2 HIF084.160

3 HEARING ON OVERSIGHT OF THE FEDERAL COMMUNICATIONS

4 COMMISSION: THE NATIONAL BROADBAND PLAN

5 THURSDAY, MARCH 25, 2010

6 House of Representatives,

7 Subcommittee on Communications, Technology, and the Internet

8 Committee on Energy and Commerce

9 Washington, D.C.

10       The Subcommittee met, pursuant to call, at 10:07 a.m.,  
11 in Room 2123 of the Rayburn House Office Building, Hon. Rick  
12 Boucher [Chairman of the Subcommittee] presiding.

13       Members present: Representatives Boucher, Markey, Rush,  
14 Eshoo, Stupak, DeGette, Doyle, Inslee, Weiner, Butterfield,  
15 Matsui, Christensen, Castor, Murphy, Space, McNerney, Welch  
16 Dingell, Waxman, Stearns, Upton, Shimkus, Blunt, Bono Mack,  
17 Terry, Rogers, Blackburn, Griffith, and Barton.

18       Staff present: Roger Sherman, Chief Counsel; Tim

19 Powderly, Counsel; Greg Guice, Counsel; Shawn Chang, Counsel;  
20 Bruce Wolpe, Senior Advisor; Sarah Fisher, Special Assistant;  
21 Michiel Perry, Intern; Pat Delgado, Chief of Staff; Elizabeth  
22 Letter, Special Assistant; Neil Fried, Minority Counsel; Will  
23 Carty, Minority Professional Staff; and Garrett Golding,  
24 Minority Legislative Analyst.

|  
25           Mr. {Boucher.} Subcommittee will come to order. Good  
26 morning to everyone. This morning, we welcome Chairman  
27 Genachowski and the members of the Federal Communications  
28 Commission as we hold the first in a series of hearings that  
29 focus on the National Broadband Plan. In the Economic  
30 Recovery Act of 2009, we directed the Commission to prepare a  
31 plan to expand broadband access and increase broadband  
32 adoption among those who have access to it.

33           Today the United States stands sixteenth among developed  
34 nations in broadband usage, and for the benefit of our  
35 national economy and our quality of life, we simply must do  
36 better. The Commission has done a superb job in developing  
37 the plan, and I want to commend the members of the Commission  
38 and the professional staff who have devoted a year, and I  
39 know thousands of hours to listening to public comments and  
40 carefully constructing the blueprint before us. I think you  
41 have truly done a superb job.

42           I am going to comment this morning on several core  
43 recommendations of the plan and then recognize other members.  
44 First I was pleased to observe your proposal to transition  
45 the high cost fund in the Federal Universal Service Fund from  
46 supporting exclusively basic telephone service, which is what  
47 it does today, to also supporting broadband deployment. The

48 Commission's recommendation very closely tracks the provision  
49 in the comprehensive universal service reform legislation.  
50 That for the last four years, I have been working with our  
51 committee colleague, Mr. Terry, in order to advance. We have  
52 been through a series of discussion drafts, the most recent  
53 of which was the subject of a legislative hearing in the  
54 subcommittee.

55 Today, universal service monies may not be spent for  
56 broadband. Our legislation will immediately allow carriers  
57 to use their USF monies for broadband deployment. We also  
58 have in our bill a mandate that carriers receiving universal  
59 service monies to provide broadband throughout their service  
60 territories within five years of the measure becoming law.  
61 The carriers could no longer receive USF monies if they fail  
62 to meet this broadband build-out mandate.

63 The Commission's recommendation also targets using the  
64 high-cost fund for broadband, and I commend the compatibility  
65 of the broadband plan and the legislation that we have placed  
66 before the committee.

67 Secondly, I was pleased to note that the plan  
68 incorporates the recommendation that we set a high goal for  
69 future broadband speeds. Today, the typical broadband  
70 service to the home here in the United States is between  
71 three and five megabits per second. In countries like South

72 Korea and Japan, today's data rates for the typical  
73 subscriber are far higher, often reaching between 50 and 100  
74 megabits per second. The Commission's plan appropriately  
75 sets a goal over the coming decade of delivering to 100  
76 million homes in the United States broadband speeds of at  
77 least 100 megabits per second. And I commend you for that.

78 Third, the Commission's proposal for auctioning to  
79 commercial builders the D block of the 700-megahertz spectrum  
80 without onerous conditions is commendable. The proceeds from  
81 the auction could then be applied to helping first responders  
82 purchase and install the equipment that is necessary to bring  
83 to fire, police, and rescue agencies nationwide a truly  
84 interoperable telecommunications capability. It is essential  
85 that when they converge from different localities on the  
86 scene of a disaster that fire, police, and rescue be able to  
87 communicate one with the other. We are 10 years beyond 9/11.  
88 That capability does not exist on a nationwide basis today.

89 I offer to you my support for obtaining the  
90 appropriations that will be necessary in addition to the  
91 proceeds from the D block auction in order to complete the  
92 build-out of first responder communications equipment. I  
93 think that on a matter so fundamental to the Nation's  
94 security, we will have bipartisan support for the provisions  
95 of the money necessary for the purchase of public safety

96 equipment.

97           Finally I want to commend the approach that you take in  
98 your plan to work with television broadcasters to identify  
99 the spectrum they now hold that on a consensual basis could  
100 be repurposed for commercial, wireless use. Broadcasters who  
101 surrender spectrum would receive compensation in exchange for  
102 a voluntary spectrum transfer. That, Mr. Chairman, is the  
103 right approach.

104           We will soon pass here in the House our bipartisan bill  
105 to direct you and the NTIA to conduct a comprehensive  
106 inventory of the entire spectrum that could be used for  
107 commercial purposes. That inventory will offer a clear path  
108 for the next steps in making available adequate wireless  
109 spectrum. And that spectrum will be necessary to meet our  
110 Nation's rising demand for wireless services.

111           You have done an outstanding job in preparing the plan,  
112 and we want to thank you for joining us here this morning in  
113 order to discuss your recommendations. That concludes my  
114 statement, and I am now pleased to recognize the ranking  
115 Republican member of our subcommittee and our partner in so  
116 many telecommunications initiatives, the gentleman from  
117 Florida, Mr. Stearns.

118           [The prepared statement of Mr. Boucher follows:]

119 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
120           Mr. {Stearns.} Good morning and thank you, Mr.  
121 Chairman, and let me welcome all the witnesses and let you  
122 know how much we appreciate you taking your time to come  
123 here. It is a very important hearing. We do this regularly,  
124 but this is, I think, very appropriate considering we just  
125 got the broadband plan from all of you.

126           I have a lot of ideas. I haven't been through the whole  
127 plan. My staff has been through it. We have marked up and  
128 done an analysis. I think all of us would agree that  
129 broadband is critical to our economic growth, and certainly  
130 the goals outlined in the plan are encouraging.

131           You know on page 10, it mentions goal number four, Mr.  
132 Chairman, which I think is really exciting to think that  
133 every American community should have affordable access to at  
134 least one-gigabyte-per-second broadband. Service to anchor  
135 institutions such as schools, hospitals, and government  
136 buildings, and you mentioned this, but I think all of us in  
137 America would not even comprehend what would happen in this  
138 country to its productivity and to the innovation and  
139 technology if we had one gigabyte. So, as you mentioned,  
140 oftentimes we get less than five megabytes through our  
141 broadband today. So I think this goal is outstanding.

142           It is important for the Commission to recognize that

143 much about our broadband market is working well, and that  
144 perhaps is my theme this morning, and that the plan should  
145 complement what is working rather than scrapping it. Key  
146 findings, according to the report now, that 290 million  
147 Americans, 95 percent of the population today have access to  
148 at least four-megabytes-per-second broadband service and two-  
149 thirds of adults subscribe. So approximately 200 million  
150 subscribers have broadband at home today, representing a 25-  
151 fold increase in the last 10 years, up from 8 million.

152 By comparison--I just asked the staff to look at this--  
153 it took 90 years to go from 8 million voice subscribers to  
154 200 million under the old Title Two Common Carrier  
155 regulations. So that should tell you something. This plan  
156 confirms that the free market, pro-investment, national plan  
157 we already have in place for broadband has worked,  
158 considering how quickly we have moved.

159 All the FCC need do then is remain focused on the five  
160 percent of households that otherwise may be uneconomic for  
161 the private sector to serve. What Congress and the FCC must  
162 not do is revert to failed regulatory ideas that were  
163 designed for old technologies and a monopoly marketplace,  
164 such as imposing network neutrality for forcing access to  
165 facilities and regulating rates are the surest way to deter  
166 the investment we need to reach this new broadband plan and

167 ultimately the goal of one gigabyte here in America.

168         If we don't impose regulation of broadband providers  
169 that discourage private sector investment, we can meet the  
170 FCC chairman's goal of making 100-megabyte-per-second service  
171 available to 100 million households by the year 2020. So we  
172 must carefully avoid any investment killing and government  
173 interventions and avoid any attempt to reclassify broadband  
174 as a Title Two service.

175         I think the plan, as we went through it obviously has  
176 some very good points, and I want to thank the chairman for  
177 answering my letter I sent to him. And it was nice to get  
178 the letter before the hearing, and we appreciate his  
179 response. As he pointed out, that the plan costs \$20 million  
180 to create, and I am concerned that we had to spend \$20  
181 million to confirm what a lot of us knew was working. But I  
182 think it is worthwhile to get this perspective in this  
183 report.

184         It could end up saving us more money as we move forward  
185 if the pro-investment approach continues and we refrain, as I  
186 mentioned, from putting burdensome regulations in place.

187         Now, of course, this does not mean that the government  
188 has no role, and the plan can help us in this way. Two  
189 approaches in this plan show particular promise. The  
190 chairman mentioned this. The plan proposed to cut the waste

191 in the universal service program and refocus it on the five  
192 percent of the country that does not have access to at least  
193 four-megabytes-per-second broadband. If we are going to  
194 subsidize broadband, concentrating on the seven million homes  
195 that are uneconomic for the private sector to serve makes  
196 sense.

197         Second, the plan seeks to make 500 megahertz of spectrum  
198 available for wireless broadband within 10 years. That is  
199 good so long as the FCC does not give the spectrum away or  
200 rig auctions with conditions. Then we will advance, I think,  
201 our broadband goals while generating needed federal revenue.  
202 I hope that the broadband spectrum on the part of the  
203 broadcasters will be looked at carefully. And if they have  
204 to relinquish anything, it will be on a voluntary basis so we  
205 let that work itself out.

206         So, Mr. Chairman, I thank very much for this hearing,  
207 and I look forward to the testimony of our Commissioner.

208         [The prepared statement of Mr. Stearns follows:]

209 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
210 Mr. {Boucher.} Thank you very much, Mr. Stearns. The  
211 chairman of the Energy and Commerce Committee, the gentleman  
212 from California, Mr. Waxman, is recognized for five minutes.

213 The {Chairman.} Thank you, Chairman Boucher, for  
214 scheduling this important hearing. The release of the  
215 National Broadband Plan was eagerly anticipated over the last  
216 several months, and I am pleased that the committee is  
217 examining its recommendations today.

218 The National Broadband Plan is the most significant  
219 ambitious infrastructure program for America since the  
220 interstate highway system. Our competitiveness and  
221 prosperity depend on meeting its core objectives. America  
222 cannot settle for the second best in the digital age.  
223 Writing this detailed blueprint was a massive undertaking,  
224 and I commend Chairman Genachowski, the broadband team, the  
225 FCC staff, and the open transparent and data-driven process  
226 they used in preparing this report.

227 Now comes the hard part. The real test of the plan's  
228 success will be in its implementation. Congress, the FCC and  
229 the Administration all have a role to play. One important  
230 aspect of the plan is the recommendation to enhance public  
231 safety by building a new interoperable broadband network.  
232 According to the chairs of the 9/11 Commission, ``the FCC's

233 plan offers a realistic framework to move forward, and we  
234 hope that all stakeholders will work with the Commission to  
235 refine the plan as needed and make it a reality.''

236 I have asked my staff to begin drafting legislation to  
237 implement the public safety recommendations. We will work in  
238 close consultation with Subcommittee Chairman Boucher,  
239 Ranking Members Barton and Stearns, and other members of the  
240 committee.

241 Significant funding will be needed to effectuate the  
242 concepts outlined in the plan, but I believe we must find a  
243 way to move forward on a bipartisan basis to meet the needs  
244 of the public safety community. The plan identifies a  
245 looming shortage of spectrum as a major problem facing the  
246 expansion of wireless broadband. Members of the committee  
247 will have different ideas about how to address this issue.  
248 As we will hear today, the broadband plan makes a series of  
249 recommendations for freeing up spectrum. These deserve our  
250 serious consideration.

251 As the plan recognizes, there is a pending legal  
252 challenge to the Commission's ability to regulate broadband  
253 networks. The outcome of that issue could have serious  
254 implications for the Commission's ability to protect  
255 consumers and implement the plan. Whatever the court rules,  
256 the Commission should take the steps it deems necessary to

257 ensure it can implement the plan and to assure that broadband  
258 consumers are protected.

259         There are other key recommendations in this plan. We  
260 need to take steps to safeguard consumer privacy, ensure  
261 transparent and accurate billing, provide access for disabled  
262 Americans and reform the Universal Service Fund. I hope  
263 today's hearing will be only the first in a series of  
264 hearings on the future of broadband. We can benefit from  
265 additional hearings that will focus on individual aspects of  
266 the plan, including creating a public safety broadband  
267 network, reform the universal service, improving spectrum  
268 policy, providing better access to persons with disabilities,  
269 eliminating barriers to deployment and promoting broadband  
270 adoption throughout the country.

271         I look forward to working with Chairman Boucher and  
272 other members of the subcommittee as we move forward. I  
273 thank our distinguished panel for being here today and  
274 appearing before the committee. And I look forward to your  
275 testimony.

276         [The prepared statement of Mr. Waxman follows:]

277 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
278           Mr. {Boucher.} Thank you, Chairman Waxman. The  
279 gentleman from Texas, Mr. Barton, ranking member of the  
280 Energy and Commerce Committee, is recognized for five  
281 minutes.

282           Mr. {Barton.} I thank the distinguished subcommittee  
283 chairman. Would ask unanimous consent to put my entire  
284 statement in the record.

285           Mr. {Boucher.} Without objection.

286           Mr. {Barton.} Thank you, Chairman. I am just going to  
287 summarize because we want to hear from you folks on the FCC.  
288 First of all, if you have to have a federal broadband policy  
289 plan, you all have done about as good as can be done. But it  
290 is kind of like the old movie ``The Good, The Bad, and The  
291 Ugly.'' The good news is you say some things that I think  
292 need to be said. You try to reform the Universal Service  
293 Fund. You try to free up some spectrum, as Chairman Waxman  
294 just alluded to.

295           The bad, the worst idea I have heard in years is  
296 reclassification. I just--I don't know about anybody else on  
297 this committee, but I don't want to regulate broadband like  
298 we regulated telephone services in the 1930s. I just don't  
299 want to do it, and I don't think the country wants to do it.

300           As far as the ugly part of it, just generically, you

301 know, Mr. Waxman talked about the interstate highway system  
302 as an infrastructure program, and he is right about that. If  
303 the federal government hadn't decided to do the interstate  
304 highway system, we wouldn't have had that type of a system.  
305 But 95 percent of America has broadband. The federal  
306 government hasn't had to spend a dime. This isn't a  
307 have/have not program. This is a find-something-for-the-FCC-  
308 to-do-that-makes-sense-in-the-21st-Century program.

309         So some of your components are things that I think we  
310 can work together on, but overall, you know, as everybody  
311 knows, if it is not broke, don't fix it. And you all are  
312 trying to fix something that in most cases isn't broke.

313         So with that, Mr. Chairman, I would yield back. Again I  
314 want to commend the Commission for working really hard, but  
315 you have produced a work product that we can use as a  
316 roadmap. But we don't need to reinvent the wheel here.

317         [The prepared statement of Mr. Barton follows:]

318 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
319           Mr. {Boucher.} Thank you very much, Mr. Barton. The  
320 Chairman Emeritus of the Energy and Commerce Committee, the  
321 gentleman from Michigan, Mr. Dingell, is recognized for five  
322 minutes.

323           Mr. {Dingell.} Mr. Chairman, I thank you, and I commend  
324 you for holding today's hearing. I want to also commend  
325 Federal Communications Commission Chairman Dan Husky and his  
326 team. They have completed a roadmap to ensure broadband  
327 reaches every corner of the United States.

328           There are two elements that should be the core of this  
329 effort. First, it should focus on promoting broadband  
330 adoption. Second, it should establish and address a support  
331 mechanism for broadband's expansion into high cost and  
332 underserved areas of the country. I am pleased that the  
333 National Broadband Plan includes chapters on these issues.

334           Nonetheless, I have great concerns about several of the  
335 plan's recommendations about spectrum reallocation and  
336 competition-based issues. At best these matters are insular  
337 to the Congress's intent to expand National Broadband Access.  
338 At worst, they would reinstitute the old policy fights, long  
339 since satisfactorily settled.

340           In November of last year, I wrote to the Commission to  
341 express my misgivings about reallocating spectrum from

342 broadcasters to mobile communications providers. Over-the-  
343 air broadcasters surrendered nearly a third of their spectrum  
344 to facilitate the recent transition from analog to digital  
345 signal transmission. Further loss of spectrum can have a  
346 very serious adverse effect on the public by limiting  
347 consumer choice. With respect to broadband television, this  
348 potential outcome would also reflect a marked weakening of  
349 the long-cherished principles of diversity and localism.

350         My father and I have defended these since the  
351 Commission's establishment in 1934. Before considering  
352 whether if or how to reallocate frequencies used for  
353 television, it behooves the Commission to work with NTIA to  
354 complete a comprehensive spectrum inventory such as the one  
355 mandated by H.R. 3125, ``The Radio Spectrum Inventory Act.''  
356 I consider this a necessary predicate for the Congress's  
357 consideration of the national broadband proposal to grant the  
358 Commission the authority to conduct spectrum reallocation  
359 incentive options.

360         I have also serious apprehensions about the plan's  
361 chapter on competition issues. This chapter is an unpleasant  
362 reminder of old arguments from the '90s. At that time, the  
363 Commission required that local companies should make their  
364 networks available to all manner of carriers at below-market  
365 prices. This so-called unbundling resulted in a glorious

366 mess.

367       My colleague, Mr. Billy Tauzin, and I moved legislation  
368 through the House to eliminate unbundling requirements with  
369 respect to carriers' investment in broadband facilities. The  
370 Senate, as it is unfortunately oft wont to do, did not pass  
371 this eminently sensible legislation. But the Commission  
372 ultimately adopted the bill's essence in its triannual review  
373 of 2003. The result has been enormous investments by  
374 carriers in broadband, both in my home state of Michigan and  
375 across much of the Nation.

376       Chapter four of the National Broadband Plan signals  
377 communication and the Commission's intention to revisit the  
378 unbundling statute. This, I think, is to reopen an old  
379 fight, and it gives me great concern because it can very well  
380 serve as a disincentive to necessary investments in broadband  
381 facilities.

382       In conclusion, Mr. Chairman, I would like to remind the  
383 witnesses today that the Congress is the sole progenitor of  
384 the Commission's authorities. To quote Sam Everett, ``If the  
385 Commission remembers it works for us, everything will turn  
386 out fine.'' In keeping with the sentiment and concerns I  
387 have just articulated, I respectfully suggest that the  
388 Commission stay focused on the Congress's simple goal of  
389 ensuring that broadband is accessible and affordable to all

390 Americans, rather than to seek to rehash old and unproductive  
391 policy debates and to start counterproductive fights which  
392 are quite unnecessary.

393         Mr. Chairman, I thank you for your courtesy. I ask  
394 unanimous consent to submit letters to the Commission to  
395 finish out the questions that we will need to ask today. I  
396 yield back the balance of my time.

397         [The prepared statement of Mr. Dingell follows:]

398 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
399           Mr. {Boucher.} Thank you very much, Mr. Dingell. The  
400 record of this hearing will remain open for members to submit  
401 additional questions in writing to members of the FCC. The  
402 gentleman from Illinois, Mr. Shimkus, is recognized for two  
403 minutes.

404           Mr. {Shimkus.} Mr. Chairman, I think Mr. Upton here is  
405 prior to my time.

406           Mr. {Boucher.} All right, I am sorry. Mr. Upton, you  
407 are recognized for two minutes.

408           Mr. {Upton.} Thank you, Mr. Chairman, and welcome,  
409 Commissioner, it is good to see you. The trend in  
410 telecommunications sector is towards development of advanced  
411 technologies and increase competition. Deregulation has  
412 successfully promoted investment, innovation, and more  
413 competition, benefitting consumers to no end.

414           95 percent of Americans now have broadband in more than  
415 one choice of carrier. That statistic along with more than  
416 \$100 billion recently invested in the infrastructure speaks  
417 for itself. So, as Mr. Barton said, if it ain't broken,  
418 don't fix it. So as it works, let us not break it. It is  
419 clear to me that as the level of competition in the market  
420 increases, the amount of government regulation should  
421 decrease.

422           And I would hope that we all could agree that the  
423 markets, in fact, have done a better job of protecting  
424 consumers than the regulators do. And in a competitive  
425 market, we should permit market forces to work and not  
426 interpose government regs between providers and consumers.  
427 All that does is impede the competition that we all want to  
428 see. I applaud your goal of providing 100 million homes with  
429 access to 100-megabytes-per-second broadband by 2020. And I  
430 believe that we can do that without regulation.

431           The level of deployment will only come, however, with  
432 the continued robust investment by the private sector. And I  
433 would agree with Chairman Dingell that the FCC, for example,  
434 the FCC requirement to carriers to unbundle their fiber, that  
435 goal will not be met by this legislative body. Don't change  
436 the rules after investments have been made. Don't put up  
437 roadblocks to new investment.

438           Finally, I have some concerns about spectrum repacking  
439 proposals that could cause harm to consumers and broadcasters  
440 as a result of the DTV transition. Broadcasters returned  
441 over 100 megahertz of spectrum to the government and at the  
442 same time increased their services. Yield back my time.

443           [The prepared statement of Mr. Upton follows:]

444 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
445           Mr. {Boucher.} Thank you, Mr. Upton. The gentleman  
446 from Massachusetts, Mr. Markey, is recognized for two  
447 minutes.

448           Mr. {Markey.} Thank you, Mr. Chairman, very much, and  
449 congratulations to the Federal Communications Commission,  
450 you, Mr. Chairman, and all the Commissioners. When I put the  
451 language in the stimulus package mandating that the Federal  
452 Communications Commission had to return this as a report back  
453 to the American people on the future of broadband just 13  
454 months ago, I can tell you right now that you met the highest  
455 expectations which I had when I inserted that language into  
456 the law.

457           And the table of contents is just an indication of how  
458 thoroughly you have examined this subject. Health care,  
459 education, and energy and the environment, economic  
460 opportunity, government performance, civic engagement, public  
461 safety. This is as thorough a compendium of the issues that  
462 we have to work on in order to make sure that America once  
463 again regains its position as number one in the world in  
464 broadband as could ever be asked to be put together. We have  
465 dropped from second to fifteenth in the world behind  
466 Luxembourg, behind Canada, behind Finland over the last eight  
467 years. What we saw was incumbent companies going to court,

468 going to the FCC chipping away at the proinvestments,  
469 precompetitive rules that we had put on the books. And as  
470 that happened, we saw slowly but surely the United States  
471 slip step by step into a position where the rest of the world  
472 looks at us over their shoulder.

473 And this gives us the opportunity with this plan to once  
474 again regain that leadership. Google, EBay, Amazon, Hulu, we  
475 branded this made in the USA in the 1990s, but we have been  
476 slowly but surely slipping behind. So this is an incredible  
477 plan. And if it is fully implemented, both investment and  
478 consumer protection will be unleashed in a way which will  
479 guarantee that the American people will be, in fact, the  
480 country that the rest of the world looks to with envy.

481 And we thank you for that, and we want to work with you  
482 to ensure that it is fully implemented so that we can regain  
483 that competitive edge that gave us that incredible position  
484 that we enjoyed and now has slipped from our grasp.

485 We thank you, Mr. Chairman, for holding this hearing,  
486 and we thank the Commissioner for being here.

487 [The prepared statement of Mr. Markey follows:]

488 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
489 Mr. {Boucher.} Thank you very much, Mr. Markey.

490 Gentleman from Illinois, Mr. Shimkus, is recognized for two  
491 minutes.

492 Mr. {Shimkus.} Thank you, Mr. Chairman. I am glad I  
493 waited and followed my friend from Massachusetts because as  
494 far as I know, this is a product of the chairman. It is not  
495 a product of the Commission. There was no vote on this plan,  
496 and I think we are going to hear that through the questions  
497 today, not that the chairman didn't put a lot of time and  
498 effort into this and his staff.

499 I want to debunk this sixteenth or twenty-fifth place.  
500 You have to be joking me. Lichtenstein, Monaco, Cutter,  
501 Malta, Bahrain, Luxembourg, Hong Kong, South Korea, Iceland,  
502 Singapore, St. Kitz, Nimitz, Macau, everyone in the top 20,  
503 we could fit the 25 in the continental United States. So we  
504 got to get off this aspect of comparing apples to oranges.  
505 It is like saying the city of New York has it, and so we are  
506 fine.

507 We have 95 percent of our people have broadband. Five  
508 percent do not. Do you know where they are at? They are in  
509 my district. You know what? The stimulus has not gone to  
510 them, and the RUS fund is not going to them. And that is  
511 what torques people off. 95 percent of us have it. It is

512 the private sector that has rolled it out, and now we want to  
513 take over one-sixth of the economy, another one-sixth of the  
514 economy to moving this whole information age from Title One  
515 to Title Two. The dirty little secret back here, it has  
516 already been exposed. We are not going to get a surprise  
517 from the chairman this time in the hearing because it is  
518 here. Some commented or suggested a second approach in which  
519 the FCC would implement certain plan recommendations under  
520 its Title Two authority.

521         So let us have this hearing. Let us have this debate.  
522 The system is working. Where it is not working is in rural  
523 America which we spend billions of dollars, and the money is  
524 not going there. And we have the rollout. We got the  
525 stimulus rollout. We are overbuilding places that have  
526 broadband right now with our tax dollars. And it is not  
527 going to where it is needed. I yield back.

528         [The prepared statement of Mr. Shimkus follows:]

529 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
530           Mr. {Boucher.} Thank you very much, Mr. Shimkus. The  
531 gentlelady from California, Ms. Eshoo, is recognized for two  
532 minutes.

533           Ms. {Eshoo.} Thank you, Mr. Chairman, for moving so  
534 quickly to schedule this hearing and welcome to the entire  
535 Federal Communications Commission. I have read the plan. I  
536 want to congratulate you. I think it is a bold one, and I  
537 think it is what our country needs.

538           On this issue of where the United States is ranked in  
539 the world, according to the International Telecommunications  
540 Union, they have measured the United States, and they say  
541 that we have slipped from eleventh to seventeenth between  
542 2002 and 2007. We know that our standing in the world is not  
543 a source of pride to us. Fewer than 27 out of every 100  
544 Americans have broadband service compared with much better  
545 numbers in other countries.

546           But today, we are going to hear the plan. We are going  
547 to ask questions about it. I am very pleased that many of  
548 the priorities that I have kind of pounded away on over the  
549 years are contained in the plan that really reflects my own  
550 legislative agenda. I hope we will move expeditiously on the  
551 broadband conduit bill, which I call the digging bill, which  
552 will ensure that federally funded transportation projects are

553 required, laying the broadband infrastructure so we don't  
554 have to dig up what we've already built in order to lay down  
555 what we know we need.

556 I also look forward to the subcommittee's fast-tracking  
557 consideration of the next generation 911 bill that my  
558 colleague, Jim Shimkus, and I know in his fight about where  
559 we are, where we are not, he would have mentioned this. We  
560 introduced the bill two weeks ago. I am ready to vote on a  
561 thorough and complete reconstruction of the Universal Service  
562 Fund and its programs so that we essentially can leapfrog  
563 into the 21st Century. America has always led the world in  
564 countless ways, and that is what I find so exciting about the  
565 plan because it is a roadmap, a plan, on how we can get  
566 there.

567 We also need to decide the future of telecommunications  
568 services and their individual classification so that we can  
569 ensure that consumers are really properly protected and that  
570 competitiveness is encouraged. No matter who I meet with,  
571 they are also for competition unless it cuts in some way to  
572 the competition that they have a total hold on. We need an  
573 aggressive agenda, as I said, because the United States  
574 really lacks badly.

575 So I look forward to hearing from each one of the  
576 Commissioners. This is going to be a lively debate, but at

577 the end of it, I think what we all--our common goal must be  
578 is that there is competition that every person in the country  
579 is reached by 2020 with high speeds, not with this lagging  
580 speed that somehow people have a source of pride about. I  
581 don't. I don't think it is good enough for our country, and  
582 I look forward to working with everyone to accomplish this  
583 for our country.

584         So thank you for a job well done. It is broad. It is  
585 visionary, and it is bold. I think it is exactly what we  
586 need to be talking about. Thank you.

587         [The prepared statement of Ms. Eshoo follows:]

588 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
589           Mr. {Boucher.} Thank you very much, Ms. Eshoo. The  
590 gentlelady from California, Ms. Bono Mack, is recognized for  
591 two minutes.

592           Ms. {Bono Mack.} Good morning, Chairman Boucher,  
593 Ranking Member Stearns and Commissioners. I too would like  
594 to thank the FCC for its hard work on the National Broadband  
595 Plan. It is clear that a great deal of effort and thought  
596 went into this endeavor.

597           As I review the text, I see some real opportunities for  
598 the committee and the Commission to work together to increase  
599 investment and opportunity. In the general sense, I believe  
600 that the plan's approach to spectrum use and universal  
601 service are quite promising. Further, I believe most of us  
602 would agree that the goals of the plan are admirable. After  
603 all, who among us doesn't want to facilitate capital  
604 investment and increase their constituents' access to  
605 broadband?

606           However, like the broadband plan, members of Congress  
607 also have goals. As we all stare at high unemployment rates  
608 in our districts, my goal is to support policies that create  
609 jobs for my constituents. Therefore, I have to question  
610 portions of the plan that seem to imply the need for a  
611 heavier government hand. I personally remain unconvinced

612 that a sector of our economy, which is continuing to attract  
613 capital investment and reach more American households is in  
614 need of more government interference.

615         As a matter of principle, I believe that broadband and  
616 the hi-techs are best served if the Commission and this  
617 committee enact policies which incentivize capital investment  
618 and promote greater economic freedom. Additionally, I  
619 strongly believe we need to take great steps to protect the  
620 digital content that is driving consumers to broadband. The  
621 creators and owners of content should have their property  
622 protected by law, and we should reward entities who work to  
623 ensure its protection, not punish them. When I read sections  
624 of the plan which call for relaxing such protections, I  
625 become very concerned.

626         Finally, I would like to caution the FCC on pursuing any  
627 agenda without solid legal authority. One certain way to  
628 stifle investment and stall economic growth is to make  
629 decisions that create uncertainty in a marketplace and  
630 encourage litigation.

631         Again I would like to thank the Commission. I look  
632 forward to the question-and-answer portion of today's  
633 discussion. I yield back the balance of my time.

634         [The prepared statement of Ms. Bono Mack follows:]

635 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
636           Mr. {Boucher.} Thank you very much, Ms. Bono Mack. The  
637 gentleman from Michigan, Mr. Stupak, is recognized for two  
638 minutes.

639           Mr. {Stupak.} Thank you, Mr. Chairman, and thanks for  
640 convening the hearing and welcome to the Commission. The  
641 National Broadband Plan hits a number of important issues  
642 such as public safety, interoperability, transitioning the  
643 universal service phone towards broadband, and freeing up  
644 additional spectrum for commercial use.

645           I want to focus on the plan's recommendations for the  
646 construction of a national interoperable public safety  
647 broadband network. The plan's recommendation identifies an  
648 issue I have been highlighting for years: the need for a  
649 funding mechanism for the construction of an interoperable  
650 public safety network. The plan calls on Congress to  
651 establish the grant program within a year to assist on the  
652 construction of the network and create a funding mechanism.

653           If the FCC is intent on moving forward with auctioning  
654 the D block spectrum for commercial use, we should use 100  
655 percent of those funds as a down payment on building this  
656 network. The FCC has recognized the need for public funding,  
657 provided an analysis of the capital expenditure costs of the  
658 network and projected ongoing maintenance costs. Now

659 Congress must act. Congress must act to establish a long-  
660 term funding mechanism that pays for the maintenance costs of  
661 the network and ensure that covers all Americans.

662 Now, Mr. Chairman, again thanks for holding this  
663 hearing. I look forward to discussing with the Commission  
664 how we can move forward on the public safety provisions as  
665 well as other provisions in the national broadband, and if we  
666 have time, a question or two--hopefully we will be allowed to  
667 ask a few questions on the FCC collaboration act that we have  
668 introduced to bring a little sunshine so we can do our job  
669 quickly, more efficiently, more effectively and protect the  
670 public interest. Thank you.

671 [The prepared statement of Mr. Stupak follows:]

672 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
673           Mr. {Boucher.} Thank you, Mr. Stupak. The gentle lady  
674 from Tennessee, Ms. Blackburn, is recognized for two minutes.

675           Mrs. {Blackburn.} Thank you, Mr. Chairman. I  
676 appreciate the hearing, and I want to welcome the Commission.  
677 We are so pleased that you are here. Needless to say, we  
678 have all been following what you have done with the broadband  
679 plan, and we are anxious to have a discussion with you.

680           A couple of quick points. Among my biggest concerns  
681 with the broadband plan is how these recommendations will  
682 affect private investment innovation and jobs creation. And  
683 because of this, I really am anxious to drill down a little  
684 bit deeper with all of you. You all know my district in  
685 Tennessee and know our creative community there and their  
686 continued expression of concerns with the availability of  
687 broadband.

688           And in this vein, Chairman Genachowski, I agree with  
689 Chairman Barton on this. I was hoping for stronger and more  
690 definitive language closing the door on reclassifying  
691 broadband under Title Two, and instead I have really found  
692 the language to be ambiguous. And I am hopeful that we are  
693 going to see some changes there or could see some changes  
694 there again. Again investment is a concern that I have. And  
695 as we all know, a reclassification to Title Two is nothing

696 more than a stepping stone for implementing net neutrality,  
697 which I believe would be detrimental to a thriving  
698 telecommunications industry.

699         And before I yield back, I also want to flag for each of  
700 you a concern over what I think is a kind of a pretty  
701 toothless effort in the plan to curb copyright infringement.  
702 And I applaud your acknowledging the illegal distribution of  
703 copyrighted content being a problem. But I am anxious to get  
704 your thoughts on how we can put a little bit more heft behind  
705 that and continue to protect the innovations of those that  
706 are bringing next-generation technologies and uses about and  
707 also by creative community. And I yield back.

708         [The prepared statement of Mrs. Blackburn follows:]

709 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
710           Mr. {Boucher.} Thank you very much, Ms. Blackburn. The  
711 gentleman from Pennsylvania, Mr. Doyle, is recognized for two  
712 minutes.

713           Mr. {Doyle.} Thank you, Mr. Chairman. I will be brief.  
714 I was always taught that if you fail to plan, then you plan  
715 to fail. And looking over the broadband plan, I have to say  
716 congratulations. You all have passed. There is a lot of  
717 policy goals outlined in the plan. It sets the FCC on a bold  
718 plan of action, and it gives us, in Congress, a few things to  
719 do also.

720           I am not going to run down a laundry list, but I think  
721 that the plan to promote competition is much needed and well  
722 received. Competitors need access to wires and spectrum in  
723 order to deliver more affordable and more innovative  
724 services.

725           Additionally the plan for Universal Service Fund reform  
726 is well thought out. I hope that the Commission also takes  
727 this up as soon as possible, even without a new bill out of  
728 Congress. Chairman Genachowski, you have a lot to be proud  
729 of in this plan, and I want to congratulate you and your team  
730 for their hard work. And I yield back.

731           [The prepared statement of Mr. Doyle follows:]

732 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
733           Mr. {Boucher.} Thank you very much, Mr. Doyle. The  
734 gentleman from Alabama, Mr. Griffith, is recognized for two  
735 minutes.

736           Mr. {Griffith.} Thank you, Mr. Chairman, and I will ask  
737 unanimous consent to submit my opening statement for the  
738 record.

739           Mr. {Boucher.} Without objection.

740           Mr. {Griffith.} Just a few comments. I never thought I  
741 would ever see the FCC Commission. 15 year ago, I founded FM  
742 frequency and put it up for public notice, and seven years  
743 later, we got it on the air. So you can see that I am not  
744 pro-regulation. But I do believe that the report is done  
745 with a good heart and with the American people in mind.

746           I recognize that the competition that exists in the  
747 marketplace today has accomplished a great deal, and I hope  
748 that as we go through these hearing--and I am sure the debate  
749 will be spirited--I hope we have in mind that there is not a  
750 whole lot we can do to improve what has been done or in the  
751 spirit of what has been accomplished by private industry and  
752 investment. It has been significant.

753           So I appreciate you being here and look forward to the  
754 discussion. Thank you, Mr. Chairman. I yield back.

755           [The prepared statement of Mr. Griffith follows:]

756 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
757 Mr. {Boucher.} Thank you, Mr. Griffith. The gentlelady  
758 from California, Ms. Matsui, is recognized for two minutes.

759 Ms. {Matsui.} Thank you very much, Mr. Chairman, and  
760 thank you for calling today's hearing. I also would like to  
761 thank Chairman Genachowski and the other Commissioners for  
762 being with us today and for their work on the National  
763 Broadband Plan. I would also like to commend the FCC  
764 broadband team for their hard work and thoughtfulness in  
765 crafting a bold and visionary plan.

766 Though no plan of this magnitude is perfect, this plan  
767 demonstrates American leadership and will serve as a  
768 blueprint for the world to follow. I am particularly pleased  
769 that the plan aims to close this Nation's digital divide by  
770 recognizing the fact that millions of Americans, particularly  
771 in such economic times, simply cannot afford the high cost of  
772 broadband.

773 Last September, I introduce the Broadband Affordability  
774 Act that would expand the USF Lifeline Assistance Program for  
775 universal broadband adoption to help ensure all Americans  
776 living in urban, suburban, and rural areas have access to  
777 affordable broadband services. I applaud the FCC for  
778 including my proposal as essential recommendations to  
779 increase broadband adoption rates among lower income

780 household in the National Broadband Plan. In doing so, we  
781 will take a major step toward closing the digital divide, and  
782 I look forward to working with my colleagues and the FCC to  
783 make this a reality.

784         The plan also recognizes the importance of allocating  
785 more spectrum into the marketplace and ways to improve our  
786 Nation's education, infrastructure, health care, public  
787 safety systems, as well as our anchor institutions in  
788 promoting competition in our economy. The plan recognizes  
789 the critical role that broadband plays in moving our Nation  
790 toward a more sustainable path of greater energy independence  
791 and efficiency by including a series of recommendations to  
792 modernize our Nation's smart grid.

793         I plan to introduce legislation in the coming weeks that  
794 would complement many of the FCC recommendations on smart  
795 grid, so this Nation can promote a smarter electric grid that  
796 empowers consumers to make choices that can save us energy  
797 and can save them money. I am looking forward to working  
798 with my colleagues and the Commission on overseeing and  
799 implementing many of the important initiatives recommended in  
800 the National Broadband Plan.

801         I thank you, Mr. Chairman, for holding this important  
802 hearing, and I yield back the balance of my time.

803         [The prepared statement of Ms. Matsui follows:]

804 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
805           Mr. {Boucher.} Thank you, Ms. Matsui. The gentleman  
806 from Nebraska, Mr. Terry, is recognized.

807           Mr. {Terry.} Thank you, Mr. Chairman. I appreciate you  
808 holding this hearing. Mr. Chairman, thank you for being here  
809 and Commissioners, appreciate your input on the broadband  
810 plan. I hope that it lays a good overview. Generally I  
811 think it brought it from just a nebulous maybe 50,000 down to  
812 the 10,000-foot level, not really getting into the super-  
813 granular activities or details, which I felt was good in the  
814 sense that it may signal that we actually have a role in  
815 Congress.

816           And that is the theme I want to state here today is  
817 while I think you have done a good job of incorporating  
818 especially USF, I think Congress needs to take your plan, use  
819 that as the recommendations, but we need to do our job in  
820 Congress. Frankly I am uncomfortable with just saying you  
821 take the lead on all of this stuff. We are not going to deal  
822 with it. I think the opposite. The role is for us to do it,  
823 and I am going to take your plan as recommendations.

824           On the Republican side, we have heard a lot about  
825 private sector involvement here, and I want to make sure that  
826 when I read the plan, I read that, yeah, there were some  
827 regulatory type of policies outlined that we will have

828 hopefully great debate within this committee on. But let us  
829 not short the private sector here. \$60 billion per year by  
830 the private sector, and ruling out high speed broadband in  
831 this Nation should not be glossed over.

832 We did \$8 to \$9 billion in the stimulus package over two  
833 years, so government spending and subsidy of broadband  
834 rollout is a small percentage. And if we start thinking that  
835 government is going to be the answer in rolling this out, we  
836 aren't going to get this plan adopted. So with that, I will  
837 yield back.

838 [The prepared statement of Mr. Terry follows:]

839 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
840           Mr. {Boucher.} Thank you very much, Mr. Terry. The  
841 gentleman from California, Mr. McNerney, is recognized for  
842 two minutes.

843           Mr. {McNerney.} Well, I want to thank you, Mr.  
844 Chairman, for leading this important and timely hearing, and  
845 I want to commend the Commission for your hard work on this.  
846 This is a pretty comprehensive plan. You worked hard. The  
847 plan clearly includes many important issues, but I am only  
848 going to be able to focus on a couple of them.

849           A large part of my district has been severely hit by the  
850 economic downturn, and promoting job creation is my highest  
851 priority. It is significant that many of the companies in  
852 the telecommunication industry are still expanding even in  
853 the economic downturn, so there is something here that we  
854 want to capitalize on.

855           I am very excited by the job growth creation potential  
856 that implementing this plan can produce, and vigorous  
857 investments by private sector coupled by sensible policy will  
858 clearly benefit our entire Nation.

859           And finally I would like to ask the Commissioners to  
860 discuss briefly issues pertaining to spectrum allocation and  
861 special access. And with that, I yield back the balance of  
862 my time.

863 [The prepared statement of Mr. McNerney follows:]

864 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
865           Mr. {Boucher.} Thank you very much, Mr. McNerney. The  
866 gentleman from Michigan, Mr. Rogers, is recognized for two  
867 minutes.

868           Mr. {Rogers.} Thank you, Mr. Chairman. I hope we get  
869 to some resolve here of where we are going, and I think Title  
870 Two reclassification is dangerous at best. Just the fact  
871 that this plan exists has put a shiver of cold in the  
872 investment community about where we go in broadband  
873 development.

874           We often want to talk about what has made America great.  
875 It wasn't the United States Congress. It wasn't the  
876 executive branch. It was private entrepreneurs putting  
877 capital at risk and making things happen, and the reason we  
878 have--and my friends on the other side of the aisle say 27  
879 percent or whatever figure they use. It is because the  
880 private market is going to pursue a plan that allows a return  
881 on the investment so they can go to the next phase of that  
882 investment.

883           And any time that we seek to stand in the way of that,  
884 we are going to get a horrible outcome. And just the notion  
885 that we are even talking about going to net neutrality, more  
886 regulation. I mean if you look at why it took so long for  
887 wireless to get to where it is and phones to get where it is,

888 it is because they base the original rules, regulations, and  
889 laws on the Common Carrier Act for railroads in 1897. And we  
890 applied it to phones. This is exactly that same kind of iron  
891 horse regulatory ideas on an industry that is changing so  
892 fast we can't keep up with it. Satellites are going to get  
893 ready to go to 4G pretty soon. What we ought to do is get  
894 out of their way and let competitive reign the day.

895         The reason those other countries did it the way they did  
896 is because they don't have economies like the United States.  
897 They don't have the kind of investment and investors that the  
898 United States does. There is a marketplace here that is  
899 attracting money. My fear is if we continue down this path,  
900 we will stop that investment, and I think we will do far more  
901 harm than good.

902         Doesn't mean there is not a role for government. I  
903 think we can work on those things, but the very principle and  
904 idea that you have thrown this into--this uncertainty in the  
905 marketplace I think is a little bit dangerous to what I think  
906 is competitive development of broadband, and I would yield  
907 back my time.

908         [The prepared statement of Mr. Rogers follows:]

909 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
910           Mr. {Boucher.} Thank you very much, Mr. Rogers. The  
911 gentleman from Connecticut, Mr. Murphy, is recognized for two  
912 minutes.

913           Mr. {Murphy.} Thank you, Mr. Chairman. I will  
914 associate myself with a portion of Mr. Rogers' remarks except  
915 to say that I think what has made this country great are free  
916 markets, but structured free markets. And I appreciate the  
917 hard work the Commission has put into this plan. It can  
918 certainly be improved, but it provides, I think, the type of  
919 structure that we need to make sure that the type of robust  
920 capital investment that we know is going to build out our  
921 broadband system is done in the fairest means possible.

922           I would just like to associate myself with remarks made  
923 with respect to the issue of online piracy, and I understand  
924 that in the open Internet notice of proposed rulemaking, the  
925 Chairman has stated very clearly that the Internet and this  
926 new broadband platform should not be a shield for violations  
927 of the law and copyright infringement. But I think you are  
928 hearing from both sides of the aisle that there is a little  
929 bit of dissatisfaction on the amount of focus in this report  
930 on that issue.

931           This country is losing billions of dollars every year to  
932 Internet piracy, and the trend is going in only one

933 direction. As much as we can ask content providers to do,  
934 ultimately, I think, the solution largely lies in the hands  
935 of those distribution networks that are going to take  
936 advantage of what is now a partially federally funded  
937 broadband network.

938         And so I think you are hearing from a number of people  
939 that would love to hear some comments from the Commission on  
940 how we think we either revise the plan or add to the plan  
941 with respect to piracy in order to guard copyright moving  
942 forward. But all in all, I would agree with many of my  
943 colleagues to say that this is a product of, I think, great  
944 labor and, I think, great importance for the rollout of  
945 broadband in this country, and I yield back.

946         [The prepared statement of Mr. Murphy follows:]

947 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
948           Mr. {Boucher.} Thank you very much, Mr. Murphy. The  
949 gentleman from Missouri, Mr. Blunt, is recognized for two  
950 minutes.

951           Mr. {Blunt.} Thank you, Mr. Chairman. I have remarks  
952 for the record. In addition to that, I would just like to  
953 say that the comments that I made and others made in our  
954 hearing on this last year about unserved versus underserved  
955 areas continue to trouble me. As we go into the finding of  
956 what unserved areas are, it does seem to me that in rural  
957 areas particularly, you run the great risk of making that  
958 service untenable because you create a competitor in a  
959 marketplace that can barely handle one provider. I am  
960 concerned by that.

961           I am concerned by what net neutrality is in this plan  
962 that might lead to needless regulation, unbundling mandates.  
963 All of those things discourage the build-outs in the areas  
964 that we need them. I do think that the Universal Service  
965 Reform and the spectrum planks, the new plan probably keep us  
966 away from that regulation if we focus on them instead of the  
967 other things.

968           But, Mr. Chairman and Mr. Stearns, thank you for holding  
969 this hearing. I hope that we do become vigorous and active  
970 partners with the Commission as you now look at the work

971 product you put before us, and that we don't make the kind of  
972 mistakes that slow down the great expansion that we have had  
973 in broadband over the last few years. And I yield back, Mr.  
974 Chairman.

975 [The prepared statement of Mr. Blunt follows:]

976 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
977           Mr. {Boucher.} Thank you very much, Mr. Blunt. The  
978 gentleman from North Carolina, Mr. Butterfield, is recognized  
979 for two minutes.

980           Mr. {Butterfield.} Thank you, Mr. Chairman. I too want  
981 to thank you for convening this hearing and thank the five  
982 Commissioners for coming forward today to have this  
983 conversation with all of us. I too have a copy of the plan.  
984 I must concede that I have not read every word of it, but I  
985 certainly plan to. It is a very comprehensive plan, and I  
986 want to thank you for your work.

987           From what I can understand, the plan states that 95  
988 percent of households in America do indeed have access to  
989 broadband while 5 percent, 1 out of 20, do not. Well, my  
990 district in eastern North Carolina, the rural district that I  
991 represent is home to many of those households who are without  
992 very basic access to broadband. With commerce, education,  
993 and communication being just a few of the everyday tasks that  
994 are moving online, those who cannot access broadband become  
995 further disenfranchised and unprepared for achieving a  
996 successful and productive life.

997           It is particularly important that efforts be focused on  
998 connecting the unconnected first so that students, teacher,  
999 job seekers, and others like those in my district have the

1000 opportunity to play on equal footing. The less densely  
1001 populated economically depressed areas like much of my  
1002 district are no less in need of access to quality broadband  
1003 and are certainly no less deserving. I hope we can build on  
1004 the plan's goals and recommendations.

1005         The National Broadband Plan enumerates six long-term  
1006 goals with hopes of achieving them by 2020. The goals are  
1007 indeed very ambitious but certainly achievable so long as  
1008 government moves quickly and responsibly to update its  
1009 communications policy framework while partnering and  
1010 empowering private industry to robustly invest in network  
1011 expansion and improvements.

1012         I would like to note the extraordinary private  
1013 investments made to building the networks we use every day.  
1014 As Congress and the FCC move forward, it is important we take  
1015 that investment into account when drafting policy around the  
1016 goals of the plan.

1017         For example, between '06 and '08, AT&T, a very  
1018 responsible corporation, invested more than \$1.2 billion in  
1019 my state of North Carolina in an effort to enhance and  
1020 improve our networks. Increased regulations and mandates on  
1021 the companies that built these networks with their private  
1022 dollars may not be the best way to achieve the goals of the  
1023 plan.

1024           So it is critical, in closing, that policymakers and  
1025 regulators work in concert--that is the key word--work in  
1026 concert with private industry when drafting those policies.  
1027 Thank you for your indulgence, Mr. Chairman. I yield back.

1028           [The prepared statement of Mr. Butterfield follows:]

1029 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1030 Mr. {Boucher.} Thank you very much, Mr. Butterfield.

1031 The gentlelady from Colorado, Ms. DeGette, is recognized for  
1032 two minutes.

1033 Ms. {DeGette.} Thank you very much, Mr. Chairman. I  
1034 will put my full statement in the record. I just want to  
1035 mention a couple of things. I agree with my colleagues that  
1036 this National Broadband Plan is a comprehensive, and it is a  
1037 forward-looking document, and I strongly share the goals. I  
1038 want to raise just a couple of issues.

1039 The first one is cities like Denver, which is my  
1040 district, are often the first to get access to the first  
1041 communications technologies. But access alone is not enough.  
1042 What we have to remember as we go forward is that broadband  
1043 also has to be affordable for low-income Americans, many of  
1044 whom live in urban areas like my area and who have seen a  
1045 real divide, even though broadband is accessible in urban  
1046 areas.

1047 Second issue I want to mention is the conflicts with  
1048 existing uses that we are going to have to resolve. The  
1049 broadband plan recommends allocating new spectrum to satisfy  
1050 consumer demand for wireless data networks. And this could  
1051 provide important benefits, but it also raises questions  
1052 about how, if a significant transfer of spectrum to broadband

1053 is needed, we can accomplish the objective in the fairest way  
1054 to existing spectrum uses. And so this is one of the  
1055 questions that I hope that we can explore today.

1056 I want to just mention two other aspects of this plan  
1057 that I am very pleased to see. The first one is the emphasis  
1058 on health IT which is going to be very important as we move  
1059 forward with our new health care plan in this country, and  
1060 which we have seen in my district with Denver Health how much  
1061 health IT can help with patient outcomes and efficiency.

1062 Secondly, I am very pleased to see some mention of  
1063 expanding in national smart energy grid. I think a smart  
1064 grid is going to be very important as we get independent from  
1065 foreign oil and develop alternative energy.

1066 With that, Mr. Chairman, I will yield back.

1067 [The prepared statement of Ms. DeGette follows:]

1068 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1069           Mr. {Boucher.} Thank you very much, Ms. DeGette. The  
1070 gentlelady from Florida, Ms. Castor, is recognized for two  
1071 minutes.

1072           Ms. {Castor.} Thank you, Chairman Boucher, for calling  
1073 this hearing, and thank you, Chairman Genachowski and the  
1074 entire FCC for your work on the National Broadband Plan. You  
1075 have given us a lot to consider, and there are many competing  
1076 interests here, but I think our overarching goal must be to  
1077 ensure that all Americans have access to broadband and the  
1078 many benefits that the technology has to offer. And whether  
1079 we live in big cities and urban areas or small rural towns,  
1080 whether we are rich or poor, black or white, broadband hold  
1081 so much promise.

1082           And it appears that the National Broadband Plan is a  
1083 commitment to finally getting everyone on board and ensuring  
1084 that we are a Nation that is united by the most important  
1085 technology since the invention of the telephone. So we must  
1086 continue to modernize and innovate.

1087           I would like to direct your attention to a couple of the  
1088 proposals that are particularly important to the hard-working  
1089 families in my state. First, the Universal Service Fund.  
1090 Florida historically has paid a lot into it and hasn't gotten  
1091 much back. So I would like to hear how the broadband plan

1092 will correct this past discrepancy. Do you have a commitment  
1093 to the use of spectrum for low-cost wireless service in  
1094 communities where affordability remains a high barrier to  
1095 broadband use? I know there are a lot of students and  
1096 teachers and older folks who will need our help accessing  
1097 this vital technology.

1098         The E-rate program should be robustly funded in order to  
1099 ensure that schools and libraries have access to affordable  
1100 broadband including wireless connectivity. Reform of the  
1101 universal service fee must address these issues going  
1102 forward.

1103         Second, a public safety network is indispensable to the  
1104 functioning of our communities in an emergency, and Florida  
1105 hurricane season is just around the corner. That means our  
1106 first responders will be on high alert should a big storm  
1107 knock out power and wreak havoc on our coastal communities.  
1108 There is a lot of debate as to whether a dedicated block of  
1109 spectrum would serve our first responders better than a  
1110 shared network, and I would like to hear more on this  
1111 proposal.

1112         Overall, I am supportive of the recommendations in the  
1113 plan. I think it strikes a good balance between the  
1114 incentives for innovation and incorporates practical  
1115 mechanism to bring the digital divide. Congratulations.

1116 [The prepared statement of Ms. Castor follows:]

1117 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1118           Mr. {Boucher.} Thank you very much, Ms. Castor. The  
1119 gentlelady from the Virgin Islands, Ms. Christensen, is  
1120 recognized for two minutes.

1121           Mrs. {Christensen.} Thank you, Chairman Boucher, and  
1122 thank you for holding this hearing so that we can go home  
1123 better informed about the National Broadband Plan that was  
1124 unveiled by the FCC this week. Although the number of people  
1125 connected to broadband in this country has gone from 8  
1126 million in 2000 to almost 200 million last year, far too many  
1127 families are still not connected, and our world rankings are  
1128 far too low.

1129           So while this plan is a solid blueprint, I do look  
1130 forward to implementations closing the gap and propelling us  
1131 into the world leadership that we used to have before. It  
1132 cannot be that because they are not connected, children can't  
1133 do their homework, individuals can't access jobs, small  
1134 businesses cannot buy or sell competitively, health care  
1135 cannot reach everyone who needs it, and our public safety  
1136 agencies cannot communicate well enough to protect us in an  
1137 emergency. So this plan needs to ensure all of this while  
1138 preserving and stimulating competitiveness in keeping costs  
1139 affordable is quite a challenge you and all of us have ahead  
1140 of us.

1141           We will monitor with great interest the reforming of the  
1142 Universal Service Fund and the E-rate which we have had  
1143 problems with in the Virgin Islands as well as a freeing up  
1144 and an auctioning of the spectrum.

1145           I have several concerns. One being, of course, that the  
1146 territories be fully included. The rest of them I hope to  
1147 get to in questions. And again I want to commend you,  
1148 Chairman Genachowski, and the other Commissioners for the  
1149 transparent, open, and comprehensive process, and welcome all  
1150 of you back to the subcommittee.

1151           [The prepared statement of Mrs. Christensen follows:]

1152 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1153           Mr. {Boucher.} Thank you, Ms. Christensen. The  
1154 gentleman from New York, Mr. Weiner, is recognized for two  
1155 minutes.

1156           Mr. {Weiner.} Thank you very much, Mr. Chairman. I  
1157 want to welcome members of the Commission here and express  
1158 the gratitude of our committee for the work that went into  
1159 this report. I want to associate myself with the remarks of  
1160 Mr. Markey, and I do want to just make a brief mention of my  
1161 good friend Mr. Shimkus and his remarks. He is able to work  
1162 up a level of indignancy by 10:00 most of us can't muster in  
1163 a whole day, but it is important to note that having a  
1164 conversation about broadband in our economy without looking  
1165 at what we are doing and not doing and how we are slipping in  
1166 relation to other states and other nations is just folly.

1167           You know we have learned with our history with the  
1168 Internet and technology, it is a great job producer for us.  
1169 It is a way we keep our competitive advantage. It would be  
1170 akin to opening up a shoe store in a neighborhood and saying  
1171 I'm not going to look at any other shoe stores in the  
1172 neighborhood or in the neighborhood counties to find out what  
1173 they are doing right or wrong. We have to think that way,  
1174 and too often we--and it is a constitutional problem  
1175 probably--we think for a year to the next budget, to the next

1176 fiscal year, to the next appropriation bill. This document  
1177 that was produced by the FCC takes that and turns it on its  
1178 head and said we have to look for the next generation, for  
1179 the next 30 years, for the next 50 years. Admittedly, there  
1180 are going to be some elements of this plan that are going to  
1181 maybe create problems for one sector. Maybe they are going  
1182 to encourage other sectors, but that is exactly the type of  
1183 thinking that we should want to do.

1184         We have to remember as we look at this committee that we  
1185 are looking for opportunities in this document to produce  
1186 thousands and thousands and thousands of jobs. But we are  
1187 not going to know exactly what they are going to look like.  
1188 That is the way technology always operates. We are at our  
1189 best in this body and in this subcommittee when we are laying  
1190 the groundwork for innovation.

1191         The FCC has done it, and I want to thank you very much  
1192 for setting us on this path. We are going to change a lot of  
1193 words in this document. We are going to make some amendments  
1194 to it, and we are going to find our own way as a legislature  
1195 often does, but as a blueprint, you have really scored. And  
1196 I want to express the gratitude of our country for your doing  
1197 so.

1198         [The prepared statement of Mr. Weiner follows:]

1199 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1200 Mr. {Boucher.} Thank you very much, Mr. Weiner. The  
1201 gentleman from Ohio, Mr. Space, is recognized for two  
1202 minutes.

1203 Mr. {Space.} Thanks, Mr. Chairman, for holding this  
1204 hearing. I would like to thank Chairman Genachowski and the  
1205 Commissions along with your staff for a lot of hard work. I  
1206 know a lot of people have worked very hard around here  
1207 lately, but I don't know that anyone has matched that you and  
1208 your teams have put in. So thank you.

1209 There are a lot of exciting and, I think, forward  
1210 thinking aspects to the National Broadband Plan that you have  
1211 prepared. And I would like to highlight two areas of  
1212 interest that I believe will benefit the constituents that I  
1213 represent back in Ohio.

1214 First I am delighted to see that the plan proposed to  
1215 transform the existing high costs of the Universal Service  
1216 Fund Into the Connect America fund that will support  
1217 broadband networks. As stated in the testimony before us  
1218 this morning, 95 percent of Americans have access to  
1219 broadband. While that is obviously very impressive, we still  
1220 have a lot of work to do to cover that five percent, many of  
1221 whom within rural districts and have no options when it comes  
1222 to broadband.

1223 Many of those people are my constituents in southern  
1224 Ohio, and transitioning the high-cost fund to explicitly  
1225 support broadband deployment to rural areas would be a  
1226 tremendous help to the residents of Appalachian Ohio.

1227 Second, I am encouraged to see the plan's  
1228 recommendations on expanding the FCC's Rural Health Care  
1229 Pilot Program. In 2007, the southern Ohio healthcare network  
1230 was successful in obtaining a pilot program grant to build a  
1231 fiber optic network across about 12 counties to connect  
1232 health care facilities. This has paved the way for further  
1233 broadband expansion in the region, and at present we are  
1234 attempting to leverage this previous investment to deploy  
1235 broadband, actually middle mile fiber, to 34 counties in  
1236 southern Ohio that again in many places have no options.

1237 Success breeds success, and we must strengthen the Rural  
1238 Health Care Pilot Program by making it permanent as the plan  
1239 suggests and by permitting for-profit entities serving  
1240 vulnerable populations to be eligible. I stand ready to  
1241 assist on this front. And in closing, I reiterate my support  
1242 for the goals addressed in the plan, and I very much look  
1243 forward to working with the Commission and my colleagues here  
1244 in Congress and industry partners to realize our Nation's  
1245 broadband potential. Thank you and I yield back.

1246 [The prepared statement of Mr. Space follows:]

1247 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1248 Mr. {Boucher.} Thank you, Mr. Space. The gentleman  
1249 from Illinois, Mr. Rush, is recognized for two minutes.

1250 Mr. {Rush.} Thank you, Mr. Chairman, and, Mr. Chairman,  
1251 I thank you for conducting this hearing, and also the  
1252 Chairman of the FCC, Chairman Genachowski, and the other  
1253 Commissioners. And I want to join my colleagues in  
1254 congratulating you on a job well done.

1255 As members of Congress, we have seen far more than our  
1256 fair share of plans before, and they have promised us the  
1257 sun, the moon, the stars, the celestial bodies seen and  
1258 unseen, known and unknown. But very few have been heralded  
1259 so highly as this plan and its promises to enhance America's  
1260 ability to improve the life choices of the people and to  
1261 maintain her status as a global leader.

1262 While that may sound a bit skeptical about this plan, I  
1263 am really not. Much of it sounds good on paper and certainly  
1264 makes for good and polished sound bites. I understand the  
1265 power of new communication, technologies, and the importance  
1266 of innovation at least in people and communities' commercial  
1267 efficiency and productivity. Same as in our precious energy  
1268 resources as well as ability to safeguard public safety.

1269 The promise of widespread public access is important for  
1270 our Nation. The unique opportunity we are presented with at

1271 this moment in history is unprecedented, and I want to ensure  
1272 that Congress and the FCC serve the best interests of the  
1273 American people.

1274         Mr. Chairman, if we don't execute this plan  
1275 comprehensively and thoughtfully, we will miss out on a huge  
1276 opportunity while also setting back the short-term and long-  
1277 term technology needs of the American people.

1278         I am therefore interested in hearing this Commission's  
1279 discussion especially on how the adoption of the broadband  
1280 plan can help to drive our economy out of its current  
1281 doldrums by stimulating new jobs as well as opportunities for  
1282 small business and innovative entrepreneurs. The plan as it  
1283 currently reads does not provide any recommendations however  
1284 on how small minority businesses and similarly the American  
1285 economy, and I think the plan should. I think this is a  
1286 stunning omission, and, Mr. Chairman, with that said, I yield  
1287 back the balance of my time.

1288         [The prepared statement of Mr. Rush follows:]

1289 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1290           Mr. {Boucher.} Thank you very much, Mr. Rush. The  
1291 gentleman from Vermont, Mr. Welch, is recognized for two  
1292 minutes.

1293           Mr. {Welch.} Thank you very much, Mr. Chairman. Two  
1294 points and one observation. First the work that you are  
1295 doing is absolutely critical to the future economic growth of  
1296 this country, and what you have presented is a solid plan  
1297 that embraces competition, and acknowledgement if we are  
1298 going to have competition, we have to have access to the  
1299 wires and the spectrum. And we have to have universal  
1300 service so it is going to reach the most remote parts of our  
1301 country tremendous.

1302           Second, you have done this on a bipartisan basis, and I  
1303 got to tell you that is pretty unique around here. And I  
1304 want to thank you for that. And this is my observation. You  
1305 have taken a very difficult topic, presented a solid plan,  
1306 and done it on a bipartisan basis. And it is so effective,  
1307 you may embarrass us into trying to do the same. Thank you.  
1308 I yield back.

1309           [The prepared statement of Mr. Welch follows:]

1310 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
1311           Mr. {Boucher.} Thank you, Mr. Welch. The gentleman  
1312 from Washington State, Mr. Inslee, is recognized for two  
1313 minutes.

1314           Mr. {Inslee.} Thank you. I just want to note the work  
1315 you are doing is helpful to improve our health reform  
1316 efforts, which are new and still building. I just want to  
1317 point one instance where our broadband policy can help the  
1318 city of Republic, Washington, eastern Washington. We  
1319 essentially have to turn off all the computers in Republic,  
1320 Washington if you want to send an x-ray from Republic to have  
1321 it read by a diagnostician in Seattle. That is unacceptable.  
1322 This is part of the health reform effort as well.

1323           I just want to make three quick points. First, I  
1324 appreciate the plan's effort to complete our white spaces  
1325 program which would free up spectrum, could allow the  
1326 geniuses who are coming to create these new technologies. It  
1327 is very exciting to get that done.

1328           Second, I am pleased that you support essentially the  
1329 direction, the moving in our spectrum allocation provision.  
1330 We passed the bill in this committee to get that done, and  
1331 you have joined us in that effort. We hope that will  
1332 actually be a while before we even get the next version of  
1333 the report out.

1334           Third, I am pleased that you got the public safety  
1335 block. We have some ideas how to move forward. This is very  
1336 frustrating to all of us to not to have an interoperable  
1337 system at this late, late, late date with our law enforcement  
1338 officers not having--and firefighters not having systems.  
1339 Got to get that job done. I think we are on the right track.  
1340 Thank you.

1341           [The prepared statement of Mr. Inslee follows:]

1342 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|

1343           Mr. {Boucher.} Mr. Inslee, thank you very much, and  
1344 thanks to all members for being expeditious this morning.  
1345 Well, you have heard from us. Now we get to hear from you,  
1346 and we would like to welcome the members of the Federal  
1347 Communications Commission. The Chairman, Julius Genachowski,  
1348 Commissioner Michael Copps, Commissioner Robert McDowell,  
1349 Commissioner Mignon Clyburn, and Commissioner Meredith Baker.  
1350 Without objection, your prepared written statements will be  
1351 made a part of the record. We would welcome your oral  
1352 summaries and ask that you keep those to approximately five  
1353 minutes so that we will have ample time to question you.  
1354           Chairman Genachowski, we welcome you, and we will be  
1355 happy to hear your statement.

|  
1356 ^STATEMENT OF JULIUS GENACHOWSKI, CHAIRMAN, FEDERAL  
1357 COMMUNICATIONS COMMISSION; MICHAEL J. COPPS, COMMISSIONER,  
1358 FEDERAL COMMUNICATIONS COMMISSION; ROBERT M. MCDOWELL,  
1359 COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION; MIGNON L.  
1360 CLYBURN, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION; AND  
1361 MEREDITH ATWELL BAKER, COMMISSIONER, FEDERAL COMMUNICATIONS  
1362 COMMISSION

|  
1363 ^STATEMENT OF JULIUS GENACHOWSKI

1364 } Mr. {Genachowski.} Thank you, Chairman Boucher, Ranking  
1365 Member Stearns, members of the committee. Thank you all for  
1366 the chance to testify in the National Broadband Plan. The  
1367 plan addresses the opportunities and challenges of broadband  
1368 high-speed Internet in a way that reflects a strong  
1369 conviction that as our Nation rebuilds its economy, broadband  
1370 can and must serve as a foundation for long-term economic  
1371 growth.

1372 Mr. {Boucher.} Chairman Genachowski, if I could get you  
1373 to pull that microphone just a little bit closer, we can hear  
1374 you better.

1375 Mr. {Genachowski.} How is that?

1376 Mr. {Boucher.} That is much better. Thank you.

1377           Mr. {Genachowski.} A foundation broadband for long-term  
1378 economic growth, ongoing investment and enduring job  
1379 creation. Multiple studies tell us the same thing. Even  
1380 modest increases in broadband adoption can yield hundreds of  
1381 thousands of new jobs. A broad array of people throughout  
1382 the ecosystem, investors, entrepreneurs, business leaders,  
1383 labor leaders, consumer advocates, and others agree that if  
1384 the U.S. has world-leading broadband networks, we will see a  
1385 powerful new wave of innovation in business and job creation  
1386 here at home.

1387           The title of one recent op-ed written by the CEO of a  
1388 major American technology company said it well. Fix the  
1389 bridges but don't forget broadband. Now we have real work to  
1390 do to seize the opportunities of broadband. The status quo  
1391 is not good enough. Notwithstanding the many positive and  
1392 even exciting developments in the U.S. around wired and  
1393 wireless broadband, our country is not where it should be or  
1394 needs to be to maintain our global competitiveness in our  
1395 rapidly changing world.

1396           First, the U.S. is lagging globally as several studies  
1397 show, as low as seventeenth in one broadband study, and 40th  
1398 out of 40 among countries surveyed in the rate of change of  
1399 innovative capacity. That tells us that other countries are  
1400 improving faster than the U.S.

1401           Second, certain communities within the U.S. are lagging.  
1402 Rural Americans, low-income Americans, African Americans,  
1403 Hispanic Americans, seniors, tribal communities, Americans  
1404 with disabilities, for these groups, adoption rates are much  
1405 lower than the 65 percent national average, which is itself  
1406 much lower than other countries and much lower than what we  
1407 would tolerate for vital infrastructure like electricity or  
1408 telephones.

1409           Altogether, 93 million Americans are not connected to  
1410 broadband at home, including 13 million children, and 14  
1411 million Americans do not have access to broadband where they  
1412 live even if they want it. That is too many.

1413           Third, the costs of digital inclusion grow higher every  
1414 day. Several years ago, not having broadband could have been  
1415 thought by some to be simply an inconvenience. Now broadband  
1416 access and digital literacy are essential to participation in  
1417 our economy and our democracy. As I believe Congress  
1418 anticipated when it directed the FCC to prepare a National  
1419 Broadband Plan, the plan the FCC has submitted is a plan for  
1420 action and a call to action that these times require.

1421           The terrific FCC staff and broadband team have produced  
1422 a team that is as strong as it is nonideological and  
1423 nonpartisan. It was the outcome of an extraordinary process  
1424 that has been unprecedented in so many respects,

1425 unprecedented in its openness and transparency, in the  
1426 breadth and depth of public participation and its  
1427 professionalism, and in its focus on data and analytical  
1428 rigor.

1429         The plan sets ambitious goals for the country, including  
1430 access for every American to robust and affordable broadband  
1431 services and the skills to subscribe, broadband speed of at  
1432 least one gigabyte to at least one library, school, or other  
1433 public anchor institution in every community, affordable  
1434 hundred megabytes per second to 100 million households, world  
1435 leading mobile innovation with the fastest and most extensive  
1436 wireless networks of any nation, access for every first  
1437 responder to a nationwide interoperable broadband public  
1438 safety network.

1439         In addition to these and other goals, the plan lays out  
1440 a robust, sensible, and efficient roadmap for achieving them.  
1441 Among other things, it proposes a once-in-a-generation  
1442 transformation of the Universal Service Fund from yesterday's  
1443 technology to tomorrow's. It proposes recovering and  
1444 unleashing licensed to unlicensed spectrum so that we can  
1445 head off the looming spectrum crisis and lead the world in  
1446 mobile. It proposes ways to cut red tape, lower the cost to  
1447 private investment, and accelerate deployment of wired and  
1448 wireless networks. It proposes initiatives to foster vibrant

1449 competition and empower consumers. It proposes a roadmap to  
1450 tackle vital inclusion challenges so that everyone everywhere  
1451 can enjoy the benefits of broadband, and it proposes ways in  
1452 which broadband can be deployed to help solve many of our  
1453 Nation's challenges including education, health care, energy  
1454 and public safety.

1455 I am heartened that a broad array of companies as well  
1456 as nonprofits, consumer and public interest groups have  
1457 voiced strong support for the plan. If I may read what John  
1458 Chambers, CEO of Cisco, wrote in Business Week, "the vital  
1459 communication systems that make our economy work and serve as  
1460 a platform for business innovation and social interaction are  
1461 second class." Sadly, many of us have accepted that. It is  
1462 time to overcome our broadband complacency. The National  
1463 Broadband Plan sent to Congress by the FCC is critical to our  
1464 economic and national security. Without a plan, we simply  
1465 cannot compete.

1466 I believe the plan will deliver extremely significant  
1467 economic and fiscal benefits over time as broadband is  
1468 harnessed for job creation and new investment. I believe the  
1469 plan is fiscally prudent, respecting the primacy of private  
1470 investment and identifying opportunities for billions of  
1471 dollars in spectrum auctions.

1472 As we move forward, I look forward to working with

1473 members of the committee on the broadband plan and on all  
1474 ideas to unleash the power of broadband, the technology with  
1475 the greatest potential since the advent of electricity to  
1476 advance our economic and social well-being to the benefit of  
1477 all Americans. Thank you, Mr. Chairman.

1478 [The prepared statement of Mr. Genachowski follows:]

1479 \*\*\*\*\* INSERT 1 \*\*\*\*\*

|

1480           Mr. {Boucher.} Thank you, Chairman Genachowski.

1481 Commissioner Copps.

|  
1482 ^STATEMENT OF MICHAEL COPPS

1483 } Mr. {Copps.} Good morning and thank you, Chairman  
1484 Boucher, Ranking Member Stearns, members of the subcommittee  
1485 for having us up here today to discuss the National Broadband  
1486 Plan. This is something, as many of you know, that has been  
1487 near and dear to me for the almost nine years that I have  
1488 been at the Commission.

1489 I had long lamented our Nation's lack of a broadband  
1490 strategy in a competitive world where other nations were  
1491 leaving in the digital dust. Now that has changed. We have  
1492 a roadmap. We have set our compass on due north. We know  
1493 where we want to go, and we are setting off down that road.  
1494 At last we begin to walk the broadband walk.

1495 We head down this road not because broadband is some  
1496 technophile's dream or some cool new tool, but because of the  
1497 dawning realization that high value broadband is the great  
1498 enabler of our time. This technology infrastructure  
1499 intersects with just about every great challenge confronting  
1500 our country today. Jobs, business growth, education, energy,  
1501 the environment, international competitiveness, health care,  
1502 overcoming disabilities, opening doors of equal opportunity,  
1503 news and information, and our democratic dialogue, there is

1504 no solution to any of these challenges that does not have a  
1505 broadband component to it. Now we understand.

1506         So it was music to my ears when Congress called for the  
1507 development of National Broadband Plan. Under the visionary  
1508 leadership of Chairman Genachowski and with the hard work of  
1509 an impressive FCC team, and in the most open and transparent  
1510 process I have witnessed at the Commission, we now have a  
1511 plan with clear objectives and a considered strategy aimed at  
1512 ensuring that everyone in this country has equal opportunity  
1513 in this new digital age, no matter who they are, where they  
1514 live, or the particular circumstances of their individual  
1515 lives.

1516         Foremost among our charges is digital inclusion. Every  
1517 one of our citizens must have access to this enabling  
1518 technology in order to participate fully in 21st century  
1519 life. You won't get a job without it. You won't be safe  
1520 without it. You can't be well educated without it. You  
1521 cannot be an engaged citizen without it. So surely America  
1522 cannot afford to have any digital divides between haves and  
1523 havenots, between those living in big cities and those in  
1524 rural areas or tribal lands, between the able-bodied and  
1525 people with disabilities.

1526         Broadband must leave no American behind, including the  
1527 original Americans, Native Americans. I encourage the

1528 broadband team to make sure this plan works for Indian  
1529 country, and I am pleased with the recommendations that have  
1530 been delivered. I also wanted to ensure that the plan was  
1531 aimed at providing full accessibility to persons with  
1532 disabilities. These are folks who ask nothing more than an  
1533 equal shot at being fully productive citizens, and broadband  
1534 can make that so much more achievable if we get it to them.  
1535 My written testimony elaborates on these two points.

1536         Let me also very quickly say how pleased I am that the  
1537 plan addresses the need for better research and development  
1538 efforts in our society and, of course, pleased about the  
1539 public safety plan, which we will talk about.

1540         I want to spend my last couple minutes on the perhaps  
1541 less tangible but no less important dimensions of broadband.  
1542 As our information infrastructure begins to migrate online,  
1543 we becoming increasingly dependent upon broadband for news  
1544 and information, for our civic engagement, for our democratic  
1545 dialogue. America's future town square will be paved with  
1546 broadband bricks. We need to make sure it is available to  
1547 all and open to all.

1548         With high-speed Internet, those who are connected can  
1549 have the world at their fingertips. For the unconnected, it  
1550 is beyond their reach. An increase of technology does not by  
1551 itself, however, guarantee a more informed citizenry.

1552 Neither does just hooking everybody up to broadband. A well-  
1553 connected nation does not equate to a well-informed nation  
1554 without significant effort. Put another way, a nation  
1555 connected but not informed or civically engaged is about as  
1556 useful to democracy as a plugged-in lamp with no light bulb.

1557 I believe that our country's democratic dialogue will  
1558 suffer if the same harms that have been inflicted on  
1559 traditional media are allowed to undercut the potential of  
1560 new media in the digital age.

1561 Time happily spares you my extended remarks on the  
1562 subject, but we all know journalism is in trouble.  
1563 Journalism is at crossroads, and we better do something about  
1564 how the American people are going to receive the news and  
1565 information we need in a world where the town square is going  
1566 broadband and where a critically important public interest  
1567 has somehow to be safeguarded. Any viable solutions will  
1568 have to address both traditional media and online media. And  
1569 I am pleased that the National Broadband Plan recognizes the  
1570 need to come to terms with the news and information  
1571 implications of the digital transition.

1572 I look forward to working on this with the members of  
1573 this subcommittee. Each of the Commissioners would have, I  
1574 am certain, some variations on the plan that has been  
1575 presented. In matters involving the reclamation of spectrum,

1576 for example, I will be especially vigilant that nothing we do  
1577 decreases the already scarce diversity we have in programming  
1578 or in media ownership. Every local voice that disappears  
1579 runs against the grain of the public interest.

1580         Regarding competition in our telecommunications  
1581 industries, it will take great vigilance to ensure that  
1582 consumers in our present consolidated environment can have  
1583 more access to competitive providers. This may require some  
1584 very tough decisions, but I believe the plan provides ample  
1585 opportunity for us to tackle and resolve such problems as we  
1586 proceed.

1587         My final comment is on an issue I try to highlight every  
1588 time I come before you. It is the need to facilitate the  
1589 work of the Commissioners by modifying the closed meeting  
1590 rule that prohibits more than two of us ever talking together  
1591 and sharing our experiences about the great issues before the  
1592 Commission. My experience has shown me that this has had  
1593 pernicious and unintended consequences, stifling  
1594 collaborative discussions among colleagues, delaying timely  
1595 decision-making by the agency, and short-changing the public  
1596 interest.

1597         I note the Representative Stupak, Eshoo, and Doyle have  
1598 introduced legislation to correct this. I believe the  
1599 legislation they have introduced would constitute a major a

1600 reform of the Commission procedures as any that I can  
1601 contemplate. Thank you for the opportunity to testify today,  
1602 and I look forward to your comments, your guidance, and your  
1603 questions.

1604 [The prepared statement of Mr. Copps follows:]

1605 \*\*\*\*\* INSERT 2 \*\*\*\*\*

|

1606           Mr. {Boucher.} Thank you very much, Commissioner Copps.

1607 Commissioner McDowell.

|  
1608 ^STATEMENT OF ROBERT MCDOWELL

1609 } Mr. {McDowell.} Thank you, Mr. Chairman and Ranking  
1610 Member Stearns and all members of the committee. It really  
1611 truly is a privilege to be before you today. The broadband  
1612 plan offered up last week by the Office of Broadband  
1613 Initiative does represent a tremendous amount of hard work  
1614 and thoughtfulness. However, it was not put to a Commission  
1615 vote and contains no rules, and that is because the plan  
1616 represents the beginning of a process and not the end of one.

1617 While we may disagree at times on the best paths to  
1618 follow during our upcoming journey, we can all agree on at  
1619 least the primary destination, a country that offers faster  
1620 broadband access to more Americans at affordable prices.

1621 Before going further, however, all policymakers involved  
1622 should pledge to do no harm. Precisely because the FCC  
1623 classified broadband services as less regulated information  
1624 services, we have seen a deployment and adoption of broadband  
1625 technologies flourish. As the plan itself asserts, the  
1626 number of Americans who have broadband at home has grown from  
1627 8 million in the year 2000 to nearly 200 million last year.  
1628 In fact, today out of 114 million households, only 7 million  
1629 lack access to broadband. Some form of broadband is

1630 available to roughly 95 percent of Americans while over two-  
1631 thirds have actually subscribed.

1632         One especially bright gem in America's economy is the  
1633 phenomenal growth in wireless broadband adoption. Mobile  
1634 broadband was virtually unheard of in the year 2000. By the  
1635 end of last year, however, an estimated 100 million Americans  
1636 subscribe to wireless broadband technologies. We lead the  
1637 world in 3G buildout and adoption.

1638         Furthermore, America is home to more wireless companies  
1639 than any other country. More than half of all Americans have  
1640 a choice of five wireless providers. 94 percent have a  
1641 choice of four. Not only has investment and innovation been  
1642 dynamic in the telecom core of the Internet environment, but  
1643 economic activity at the edge of networks has been nothing  
1644 short of explosive as well.

1645         For instance, last year Americans again lead the world  
1646 by downloading over 1.1 billion applications onto their  
1647 mobile devices. Not only does the United States have one-  
1648 third of the world's market share of mobile apps, but the  
1649 American mobile app market has grown over 500 percent since  
1650 the year 2007.

1651         In fact, some researchers estimate that annual domestic  
1652 mobile app downloads will reach nearly 7 billion by the year  
1653 2014.

1654           The Internet is an environment that is growing and  
1655    evolving faster than any individual company or government can  
1656    measure. The Net operates in an open and free marketplace  
1657    where innovation and investment are thriving. In fact, some  
1658    estimate that private sector investment in broadband  
1659    infrastructure exceeded \$60 billion last year alone.

1660           Any policies the government adopts should nurture and  
1661    strengthen these trends and not undermine them. For  
1662    instance, cable modem services alone are available to 92  
1663    percent of American households. Merely by upgrading cable  
1664    networks with the DOXIS 3.0 system, which is expected to  
1665    happen over the next few years anyway, over 104 million  
1666    American homes will have access to speeds of up to 100 megs.  
1667    Unless the government provides disincentives to investments,  
1668    the broadband plan's goal of reaching 100 million households  
1669    with 100 meg services should be attained well before the year  
1670    2020 if we allow current trends to continue.

1671           In that spirit, I question calls for further regulating  
1672    one of the brightest spots of the American economy. Chapter  
1673    17 of the Plan opens the door to classifying broadband  
1674    services as old-fashioned, monopoly-era, circuit-switched,  
1675    voice telephone services under Title Two of the  
1676    Communications Act of 1934.

1677           Broadband has flourished because of the absence of such

1678 regulations, and let me clear up a persistent myth.  
1679 Broadband has never been regulated under Title Two. Not only  
1680 would such a classification likely fail on appeal, I also  
1681 don't see how foisting regulations first devised in the 19th  
1682 century would help a competitive 21th century marketplace  
1683 continue to thrive.

1684         The plan does contain ideas that are worth exploring  
1685 further however. For instance, bringing more spectrum to  
1686 market should continue to be a priority for the Commission,  
1687 as it has been for the past several years. We should place a  
1688 special emphasis on frequencies that are lying fallow or are  
1689 underused, particularly spectrum held by the government when  
1690 auction spectrum should remain unencumbered by regulation.

1691         At the same time, however, the Commission should  
1692 encourage more efficient use of the airwaves in addition to  
1693 rapid buildout. The need to use spectrum efficiently is  
1694 inevitable, so we should work to stay ahead of the spectral  
1695 efficiency curve.

1696         Additionally, the plan calls for comprehensive reform of  
1697 the universal service subsidy rules. This system is broken,  
1698 plain and simple. Our first priority, however, should be to  
1699 contain costs. The contribution factor, a tax of sorts,  
1700 which is directly paid by consumers, has ballooned from 5.53  
1701 percent in 1998 to over 15 percent today. This trend hurts

1702 American consumers and is unsustainable. In its current  
1703 condition, the Universal Service Fund cannot support  
1704 additional obligations.

1705 I have outlined many other ideas in my written  
1706 statement. In the meantime, I look forward to working with  
1707 Congress and my Commission colleagues to adopt policies that  
1708 allow investment, innovation, job growth, competition, and  
1709 adoption in the broadband market to continue. Thank you, Mr.  
1710 Chairman. I look forward to your questions.

1711 [The prepared statement of Mr. McDowell follows:]

1712 \*\*\*\*\* INSERT 3 \*\*\*\*\*

|  
1713           Mr. {Boucher.} Thank you very much, Commissioner  
1714 McDowell. Commissioner Clyburn.

|  
1715 ^STATEMENT OF MIGNON CLYBURN

1716 } Ms. {Clyburn.} Thank you, Mr. Chairman, Ranking Member  
1717 Stearns and members of the subcommittee.

1718 Mr. {Boucher.} Yeah, your microphone please.

1719 Ms. {Clyburn.} That might help. Thank you.

1720 Mr. {Boucher.} Thank you.

1721 Ms. {Clyburn.} Thank you, Mr. Chairman, Ranking Member  
1722 Stearns, and members of the subcommittee. It is an honor and  
1723 a privilege to appear before you today to discuss the  
1724 National Broadband Plan. Over the past nine months, the FCC  
1725 undertook the mammoth task of developing a blueprint for this  
1726 Nation that aims to bolster our standing as a world leader in  
1727 technology, business, and inclusion. Under Chairman  
1728 Genachowski's leadership, this process was conducted in an  
1729 unprecedented open and transparent manner in order to ensure  
1730 that we maximized opportunity for public input.

1731 There are three issues in particular that I wanted to  
1732 touch on today. In my view, each of these warrants our  
1733 upmost and immediate attention. One, fostering the  
1734 development of a nationwide interoperable public safety  
1735 network. Two, ensuring an environment conducive to universal  
1736 broadband adoption. And three, cultivating vibrant

1737 competition in the broadband marketplace.

1738         Developing a nationwide interoperable public safety  
1739 network is no easy task. This fact, however, is no excuse  
1740 for where we stand today. It is inconceivable that it will  
1741 be almost nine years since the tragic events of September 11,  
1742 2001. We still have not meaningfully addressed this critical  
1743 need. The National Broadband Plan attempts to meet this  
1744 challenge. It offers concrete steps for a nationwide public  
1745 safety wireless broadband network that will provide needed  
1746 functionality and interoperability for the public safety  
1747 community.

1748         The recommendations for the Emergency Response  
1749 Interoperability Center and Congressional funding for the  
1750 network in particular address two of the most fundamental  
1751 building blocks necessary to make this network a reality.

1752         Moreover, the plan sets forth a rigorous program to make  
1753 sure we get the details right, and the Commission has already  
1754 put these ideas in motion by hosting a technical panel to  
1755 review the finer points of the proposed network.

1756         Another indispensable part of the plan concerns  
1757 broadband adoption. Approximately one-third of Americans  
1758 have not adopted broadband at home. While some view this  
1759 percentage as a success, there are reasons to be concerned.  
1760 High-speed Internet is the gateway to opportunity and is fast

1761 becoming a requirement for meaningful citizenship. If you  
1762 want to apply for a job, get more information on health-  
1763 related issues, take classes that are unavailable in your  
1764 town, unlock economic opportunities, be able to obtain  
1765 government services, you must have direct high-speed access  
1766 to the Internet. If we steamroll ahead without our fellow  
1767 Americans joining us online, we will merely be reinforcing an  
1768 underclass that will weigh heavily on our progress as a  
1769 Nation.

1770         The plan also offers a critical recommendation with  
1771 respect to the high cost of broadband. Specifically the plan  
1772 recommends wholesale reform of the Universal Service Fund to  
1773 both make it more efficient and enable it to directly support  
1774 broadband service. This process requires assessing and  
1775 adjusting nearly every aspect of the current USF support  
1776 methods as well as the intercarrier compensation system.

1777         The third element central to a successful broadband  
1778 strategy is competition. Competition is the lifeblood of  
1779 investment, innovation, and affordable prices. Without it,  
1780 industry has little reason to upgrade its facilities and  
1781 improve its services.

1782         A cable industry executive noticed as such, informing  
1783 investors that there is simply no need for the company to  
1784 roll out the faster Internet speeds available today in areas

1785 where it does not have competition from another high-speed  
1786 provider. Thus, only in areas where Americans are lucky  
1787 enough to have more than one provider with truly high-speed  
1788 capability will providers like this one have any economic  
1789 incentive to offer better service. The same holds true for  
1790 prices. There is little question that where there is limited  
1791 or no competition, consumers pay higher prices for broadband.

1792         Indeed, just recently we saw a new spike in prices  
1793 levied by providers on the lowest tiers of service. When  
1794 such across-the-board increases occur, our role as stewards  
1795 of the public interest requires us to examine the market  
1796 carefully and take appropriate action where necessary.

1797         In closing, I would like to express my gratitude to my  
1798 colleagues and my enthusiasm for working with them to address  
1799 the challenges ahead. I also want to recognize the important  
1800 work of the committee. I look forward to engaging  
1801 constructively with you in the weeks and months ahead.

1802         The American people rely on us to work cooperatively to  
1803 ensure that we implement a National Broadband Plan that is  
1804 good for consumers and that helps drive our economy. Thank  
1805 you again for the opportunity to appear before you today, and  
1806 I look forward to answering any questions you may have.

1807         [The prepared statement of Ms. Clyburn follows:]

1808 \*\*\*\*\* INSERT 4 \*\*\*\*\*

|  
1809           Mr. {Boucher.} Thank you very much, Commissioner  
1810 Clyburn. Commissioner Baker.

|  
1811 ^STATEMENT OF MEREDITH ATWELL BAKER

1812 } Ms. {Baker.} Thank you very much, Mr. Chairman, Ranking  
1813 Member Stearns, and members of the subcommittee. Good  
1814 morning or almost afternoon now. It is really a privilege to  
1815 appear before you today. I look forward to working with you  
1816 as we consider the many important issues that have been  
1817 raised in the National Broadband Plan.

1818 I would like to share just a few remarks with you here  
1819 this morning, hitting many of the topics that my companions  
1820 have, as you have also, as I understand my full statement  
1821 will be entered into the record.

1822 Broadband in America is a success story. Under a light-  
1823 touch, targeted, regulatory regime in both the Clinton and  
1824 the Bush Administrations, we have gone from a narrow band  
1825 dialup world to a multi-platform broadband world by crafting  
1826 a regulatory framework that promotes facilities-based  
1827 competition, not prescriptive government requirements.

1828 Private industry from every communication platform has  
1829 responded to this consistent framework with substantial  
1830 network investment and deployment to the great benefit of  
1831 consumers. This has resulted in broadband availability to 95  
1832 percent of Americans and healthy competition from rival

1833 providers. Indeed, there are only 7 million households where  
1834 market forces have yet to yield a wired broadband provider.

1835        Yet there is more work to be done, and I am pleased to  
1836 be here talking about the National Broadband Plan. Turning  
1837 to the National Broadband Plan itself, there are places where  
1838 I would have made different recommendations and suggestions,  
1839 but I am grateful to the Commission's broadband team for its  
1840 hard work and find that significant parts of the plan deserve  
1841 careful consideration. I would like to say a few words about  
1842 three key priorities from the plan today.

1843        First, as I have said since I arrived at the FCC, one  
1844 area of prompt government action is spectrum policy. One of  
1845 the plan's most important recommendations is the call for  
1846 more comprehensive, long-term approach to spectrum  
1847 management. The continued success of state-of-the-art mobile  
1848 broadband depends on our ability to align our spectrum  
1849 policies with the changing needs of consumers and industry.

1850        Other nations, like Germany and Japan, are already  
1851 planning significant additional blocks of spectrum to be  
1852 auctioned for mobile broadband. The U.S. must act similarly  
1853 to lay the foundation for the next generation of mobile  
1854 innovation, machine-to-machine communications, mobile health,  
1855 and a meaningful alternative to fixed broadband.

1856        I hope our policies in this area will be guided by three

1857 overarching objectives: facilitating efficient use of  
1858 spectrum, identifying and reallocating additional spectrum,  
1859 and encouraging investment and innovation in wireless  
1860 networks and technologies.

1861         The second policy area is Comprehensive Universal  
1862 Service Fund and intercarrier compensation reform targeted to  
1863 broadband investment in unserved areas. We need to update  
1864 our funding mechanisms to reflect a broadband world, and we  
1865 must do so in a manner that ensures accountability and  
1866 efficiency. We need to do this in a manner that does not  
1867 expand the size of the \$9 billion fund. Consumers pay for  
1868 this. The universal service contribution factor for next  
1869 quarter will be the largest ever, 15.3 percent. This is real  
1870 money. A \$6 tax on a \$40 phone bill.

1871         Third, nationwide public safety interoperability must be  
1872 a top priority. I believe the plan's recommendations are an  
1873 appropriate place for us to start, focusing on the  
1874 sufficiency of first responder funding and available spectrum  
1875 resources. The need for interoperability was highlighted in  
1876 the 9/11 report and devastatingly illustrated in the  
1877 aftermath of Hurricanes Katrina and Rita. We must move  
1878 forward expeditiously to provide the communications tools our  
1879 Nation's first responders deserve.

1880         As we consider all of the plan's recommendations, our

1881 broadband policy should be focused on these efforts directly  
1882 tied to promoting adoption, deployment, and facilities-based  
1883 competition. We should build upon the strong regulatory  
1884 foundation that we have before us, harnessing private  
1885 investment, encouraging entrepreneurs and inventors to  
1886 provide better broadband to more Americans.

1887 I am concerned that some of the proposals referenced in  
1888 the plan have the Commission chart a more radical path,  
1889 changing our market-based regulatory framework midcourse in a  
1890 manner that could diminish our much-needed emphasis on  
1891 adoption and chill the private investment we need for our  
1892 broadband infrastructure.

1893 We must, in particular, resist efforts to adopt rules in  
1894 the network neutrality proceeding that would dictate how  
1895 networks are managed and operated. I have attended two  
1896 technical workshops and reviewed the record on net  
1897 neutrality, and I have yet to see any evidence of a  
1898 systematic problem that needs to be addressed today.

1899 We also should reject calls to regulate the Internet  
1900 under monopoly-era Title Two rules and rebuff unbundling  
1901 proposals that selectively forget our long and checkered  
1902 history with government-manufactured competition.

1903 Lastly I am hopeful we avoid one-size-fits-all  
1904 approaches to broadband. This is particular true with

1905 respect to affordability, relevancy, and literacy adoption  
1906 hurdles facing a third of Americans today. Each one of them  
1907 has its own importance. Thank you again for the opportunity  
1908 to be here today, and I look forward to your questions.

1909 [The prepared statement of Ms. Baker follows:]

1910 \*\*\*\*\* INSERT 5 \*\*\*\*\*

|  
1911           Mr. {Boucher.} Thank you very much, Commissioner Baker,  
1912 and thanks to each of the Commissioners and the Chairman for  
1913 your thoughtful comments to us today. We appreciate you  
1914 sharing some of the rationale you have had in developing this  
1915 comprehensive and very well-constructed plan.

1916           Commissioner Genachowski, I was very pleased to note the  
1917 ambitious deadlines that you have set forth in the plan for  
1918 at long last achieving the competitive availability of set-  
1919 top boxes. I think that if consumers could shop for set-top  
1920 boxes in the store and choose boxes that have varied  
1921 functionality, a variety of different functions available  
1922 from different manufacturers, all of which are compatible  
1923 with every cable system and every satellite system for  
1924 delivering multi-channel video, we would see tremendous  
1925 innovation in the market for the origination of these  
1926 devices.

1927           And I think we would soon see devices on store shelves  
1928 that would have functionality well beyond the typical set-top  
1929 box you buy from the cable company or the satellite company  
1930 today. So I commend you for setting forth these ambitious  
1931 deadlines. This is not a new issue, and in fact, it is 15  
1932 years old. In the '96 Communications Act, we directed the  
1933 Commission to move forward with the rule making in order to

1934 assure the competitive availability of these set-top boxes.

1935           And still today consumers can't go to the store and shop  
1936 for a variety of different set-top boxes. So I am glad to  
1937 see the recommendation. I would ask you if you agree with me  
1938 that rather than putting forth a mere notice of inquiry and  
1939 continuing for a much longer period of time the discussion  
1940 about this, it is now time to move to a notice of proposed  
1941 rule making. I think it is. I hope you would agree, and I  
1942 would ask for your response.

1943           Mr. {Genachowski.} Well, first of all, thank you for  
1944 raising that topic. It is an important one.

1945           Mr. {Boucher.} And if you could pull the mike a bit  
1946 closer, we could hear you better.

1947           Mr. {Genachowski.} All right, I think you mentioned  
1948 Congress did require competition in this area. We have seen  
1949 much less competition and innovation than we could have. The  
1950 reason that it is in the broadband plan is that the team  
1951 realized during its work that while computers are only in  
1952 about 76 percent of homes, TVs are in almost 100 percent of  
1953 homes. And so if we can unleash this particular market, that  
1954 can help accelerate our broadband goals.

1955           With respect to the exact process, I would be happy to  
1956 work with you. I think that it is the intention to move as  
1957 expeditiously as possible. We haven't made a final decision

1958 on the process to use, but I would be happy to--

1959           Mr. {Boucher.} Well, thank you very much. I would  
1960 encourage you to give very serious favorable consideration to  
1961 going right to a rule-making. We have been discussing this  
1962 for 15 years. This time enough.

1963           Secondly you appear to be recommending a role for local  
1964 governments, municipalities across the country in helping to  
1965 deploy broadband. I share that aspiration. In fact, in past  
1966 Congresses, I have introduced legislation that would free  
1967 local governments to offer broadband particularly where there  
1968 are gaps and for whatever reason the commercial providers  
1969 have not offered an array of competitive services for  
1970 broadband.

1971           Does the mention of this in your broadband plan imply  
1972 support for legislation that would remove the roadblocks that  
1973 various states have erected to their municipalities offering  
1974 broadband? And would you recommend that we adopt legislation  
1975 effectively preempting those roadblocks and freeing  
1976 communities nationwide in order to deploy broadband services?

1977           Mr. {Genachowski.} Well, Mr. Chairman, if I could not  
1978 comment on specific legislation, although we would be happy  
1979 to be a resource to you on that. The goal of unleashing  
1980 local governments to experiment and innovate around broadband  
1981 access seems to me a highly desirable goal, and I would be

1982 pleased to work with you on the best path to encourage the  
1983 kind of local experimentation that could be very--

1984       Mr. {Boucher.} Thank you, Mr. Chairman. Very  
1985 diplomatic answers you are providing this morning. Let me  
1986 use the balance of my time to talk a bit about D block. I  
1987 think you are on the right track in recommending that the D  
1988 block of the 700 megahertz spectrum, the only part of the 700  
1989 megahertz still in government hands be auctioned, and  
1990 auctioned essentially without the kinds of onerous conditions  
1991 that attached to the D block auction several years ago that  
1992 caused that auction to fail.

1993       So I heartily endorse your idea of auctioning without  
1994 those kinds of conditions. I have two questions. First of  
1995 all, would you need legislation in order to devote the  
1996 proceeds to that auction in some significant part or perhaps  
1997 totally to the buildout of equipment for fire, police, and  
1998 rescue nationwide?

1999       Mr. {Genachowski.} I believe we would.

2000       Mr. {Boucher.} I agree, and we will certainly work. I  
2001 am working now with Chairman Waxman to structure a bill that  
2002 would provide that clear authority. The second question I  
2003 have relates to your proposal that the winners in the D block  
2004 auction and also the holders of all 700-megahertz spectrum,  
2005 that would include the cellular companies that prevailed in

2006 previous 700-megahertz auctions, provide roaming access to  
2007 first responders at reasonable rates and also give priority  
2008 access to first responders at times when the public safety  
2009 spectrum is either fully occupied or for other reasons  
2010 unavailable.

2011 Now, that recommendation on its face may give pause to  
2012 some who would consider taking part in an auction because it  
2013 needs better definition. So I suppose my direct question to  
2014 you is how does that requirement, were it to be a part of  
2015 your auction rules, relate to the existing priority, a  
2016 wireless priority system, that is in place today for federal  
2017 personnel? Would it be a simple extension of that which  
2018 might prove to be not so onerous, or would it be something  
2019 beyond that that might prove to be more onerous?

2020 Mr. {Genachowski.} Mr. Chairman, the goal is to adopt a  
2021 set of rules that would not be onerous and that would allow  
2022 us finally to move forward and deliver on the 9/11 Commission  
2023 recommendations. It will be the subject of the rule making.  
2024 We will have plenty of opportunity for input, but I am very  
2025 pleased that four members on a bipartisan basis of the 9/11  
2026 Commission have looked at our plan and said this is a very  
2027 sensible way to go.

2028 Mr. {Boucher.} Well, thank you very much, Mr. Chairman.  
2029 We appreciate your being here and sharing these thoughts with

2030 us. The gentleman from Florida, Mr. Stearns.

2031 Mr. {Stearns.} Mr. Chairman, thank you very much, and I  
2032 ask unanimous consent to insert into the record the response  
2033 that Chairman Genachowski sent to me about creation of this  
2034 plan.

2035 Mr. {Boucher.} Without objection.

2036 Mr. {Stearns.} I noticed, Mr. Chairman, that you  
2037 indicated you spent about \$20 million to develop this plan.  
2038 I think that works out about \$50,000 a page or more, and it  
2039 took you about a year, I think, to develop this plan. So in  
2040 effect, \$50,000 a day. I think when we developed the 1996  
2041 Telecommunication Bill, we didn't have a plan in there, and  
2042 then later on, there was some talk about it. And your former  
2043 Chairman Kinard said that in 1999, let me read his speech,  
2044 that ``the fertile fields of innovation across the  
2045 communications sectors and around the country are blooming  
2046 because from the get-go we have taken a deregulatory,  
2047 competitive approach to our communications structure,  
2048 especially the Internet.'' So I think with those statements  
2049 and this obviously predecessor of yours, do you agree with  
2050 his statements?

2051 Mr. {Genachowski.} I agree. Yes, I do.

2052 Mr. {Stearns.} And they remain valid today?

2053 Mr. {Genachowski.} Yes, I would say making sure that we

2054 have policies that unleash investment, that encourage  
2055 innovation--

2056 Mr. {Stearns.} Policies of the government, you mean?

2057 Mr. {Genachowski.} Well, you know, as you know in this  
2058 area, whether it is spectrum, whether it is Universal Service  
2059 Fund, there are policies that the government needs to be  
2060 involved in and is involved with. The question for us is  
2061 what kind of climate, what kind of policies could we make  
2062 sure we have that promote investment, that promote  
2063 innovation, that protect and empower consumers, that promote  
2064 competition. That is how I look at it.

2065 Mr. {Stearns.} Okay, Mr. McDowell, Mr. Welch has  
2066 indicated this is a bipartisan plan, and I think you pointed  
2067 out no one voted on it. It is true that you and Ms. Baker  
2068 didn't vote on this bill. Is that correct?

2069 Mr. {McDowell.} That is correct.

2070 Mr. {Stearns.} And during the process this year that it  
2071 was developed in, they spent \$20 million. Were you ever  
2072 consulted during the year, you and your staff? Were you  
2073 called up and let in to participate in the development of  
2074 this plan?

2075 Mr. {McDowell.} Absolutely.

2076 Mr. {Stearns.} Okay, and you were, Ms. Baker, too?

2077 Ms. {Baker.} Yes.

2078 Mr. {Stearns.} When did you get a chance to see the  
2079 final plan?

2080 Mr. {McDowell.} We saw the final text, the final drafts  
2081 starting about 21 days before the March 18 meeting, so late  
2082 February.

2083 Mr. {Stearns.} Late February?

2084 Mr. {McDowell.} Did you think it might be helpful that  
2085 you had saw it earlier? I mean how do you feel about your  
2086 participation?

2087 Mr. {McDowell.} You know I think there is actually a  
2088 benefit to the fact that there was not a vote, in that I  
2089 think it allowed the broadband plan team to have the liberty  
2090 to put in there what they saw fit to put in there.

2091 So I think there was actually a net positive. Obviously  
2092 there are things I agree with and things I disagree with, as  
2093 I think all of us can probably say that. So I think it was a  
2094 net positive we did not have the vote and allowed them.

2095 Certainly I originally a year ago, long before Chairman  
2096 Genachowski was even nominated, had said that a plan like  
2097 this should be put out for public comment, but the  
2098 Commissioner only had a year to do it. So I understand there  
2099 were time constraints as well.

2100 Mr. {Stearns.} Okay, Chairman Genachowski, the  
2101 broadband plan recommends appropriating an addition \$9

2102 billion to convert the already \$8 billion-a-year Universal  
2103 Service Fund for broadband. Now if we have \$7.2 billion in  
2104 the stimulus package for broadband was appropriately spent,  
2105 why do we need an additional \$9 billion?

2106 Mr. {Genachowski.} Mr. Stearns, if I could--sir, that  
2107 is not exactly what the plan says. First on Universal  
2108 Service Fund, the plan outlines a road map for the FCC to cut  
2109 and cap existing spend for telephone service and transition  
2110 that funding to broadband without increasing the growth of  
2111 the fund. So that over a 10-year period, the transition from  
2112 the old USF to the new USF can happen without any additional  
2113 funding.

2114 The plan goes on to say that if Congress thought it  
2115 desirable to accelerate that transition, to have that  
2116 transition happen faster than 10 years, it would cost several  
2117 billion dollars over a few years to do that. And that is  
2118 something that, as part of the development of the plan, it  
2119 was thought should be presented for consideration.

2120 Mr. {Stearns.} Commissioner McDowell, Assistant  
2121 Secretary of State Verdeer said that net neutrality could be  
2122 employed as a pretext or as an excuse for undertaking public  
2123 policies that we would disagree with pretty fundamentally.  
2124 Just days earlier, the president of Venezuela called for  
2125 regulation of the Internet while demanding authorities crack

2126 down on a news website that was critical of him. ``The  
2127 Internet can't be something free when anything can be done  
2128 and said. No, every country has to impose its rules and  
2129 regulation'' is what he said.

2130           How do we hold other countries to higher standards if we  
2131 ourselves are beginning to get involved with regulation? Or  
2132 perhaps you might just comment on some of the comments that  
2133 the assistant secretary of state said as well as what the  
2134 president of Venezuela said.

2135           Mr. {McDowell.} Well, I will let Ambassador Verdeer  
2136 speak for himself, but I have for quite some time now  
2137 expressed similar concerns that as governments encroach more  
2138 into the area of network management of the Internet that we  
2139 really start to lose the moral high ground. What appears to  
2140 be reasonable to us may not appear reasonable to other  
2141 countries and vice versa.

2142           Actually as Commissioner Baker said, since the  
2143 Clinton/Gore Administration, it has been the policy of the  
2144 U.S. government that network management issues and the  
2145 governance of the Internet should be left to nongovernmental  
2146 bodies such as the Internet Engineering Task Force and  
2147 others. And this has worked quite well. What has really  
2148 made the Internet so robust and growth there so explosive is  
2149 in effect it is somewhat lawless, that it is positively

2150 chaotic in a positive and constructive way. And I think we  
2151 do need to be very cautious before we venture into this area  
2152 further.

2153 Mr. {Stearns.} Thank you, Mr. Chairman.

2154 Mr. {Boucher.} Thank you, Mr. Stearns. The chairman of  
2155 the Energy and Commerce Committee, the gentleman from  
2156 California, Mr. Waxman, is recognized for five minutes.

2157 The {Chairman.} Thank you, Mr. Chairman. Before I  
2158 begin my questions, I would like to correct an assertion made  
2159 by Commissioner McDowell that broadband has never been  
2160 regulated under Title Two. DSL broadband was a Title Two  
2161 service until August 2005 when the Commission moved it to  
2162 Title One.

2163 I would like to ask a question about the plan's  
2164 recommendations regarding the creation of a nationwide  
2165 interoperable broadband network for public safety. I know  
2166 that all parties agree that the problem of interoperability  
2167 needs to be resolved, but it seems like there is a strong  
2168 disagreement regarding what we should do with the D block.  
2169 Chairman Genachowski, in your February 25, 2010 remarks,  
2170 introducing the public safety recommendations, in the plan  
2171 you emphasized that you directed FCC staff to begin anew, not  
2172 take anything for granted, be data-driven and creative, and  
2173 come up with the best policy recommendations to achieve

2174 success. Do the recommendations in the plan reflect that  
2175 direction?

2176 Mr. {Genachowski.} Yes, they do. Admiral Jamie  
2177 Barnett, an extraordinary public servant, has led up our  
2178 efforts to do this. That was the charge to him, and he has  
2179 been committed with his team on developing a framework for  
2180 finally delivering on the 9/11 Commission recommendation.

2181 The {Chairman.} Was the staff free to recommend  
2182 reallocation of the D block if that was the best plan for  
2183 public safety?

2184 Mr. {Genachowski.} Yes.

2185 The {Chairman.} And do you agree with the conclusion  
2186 that 10 megahertz of dedicated broadband spectrum in  
2187 combination with access to additional commercial spectrum is  
2188 enough to ensure public safety interoperability at this time?  
2189 And what about the future?

2190 Mr. {Genachowski.} Yeah, I agree with the very deeply  
2191 thought through plan that was put together by the public  
2192 safety team. In the future, there may be additional needs  
2193 for spectrum. We need to recover more spectrum for a variety  
2194 of purposes, that in the future we may need more spectrum for  
2195 public safety, and it should be part of our strategic  
2196 planning process over time.

2197 The {Chairman.} Is it correct to say that the FCC's

2198 engineers and technical experts fully analyzed where the 10  
2199 megahertz of spectrum dedicated to broadband would yield  
2200 adequate spectrum capacity? And did they do their due  
2201 diligence on this question?

2202 Mr. {Genachowski.} Yes, I believe they did.

2203 The {Chairman.} I would like to ask Commissioner Copps,  
2204 McDowell, Baker, and Clyburn, is the approach outlined in the  
2205 plan the best way to achieve interoperability in your view?  
2206 Do each of you support the recommendation that the D block be  
2207 auctioned for primarily commercial purposes?

2208 Mr. {Copps.} I support this plan. When I was acting  
2209 chairman, one of the things that I did was direct our staff  
2210 to go back to a basic, put all the options on the table for  
2211 the incoming chairman so we could really start and look at  
2212 all options.

2213 As Commissioner Clyburn pointed out, we are eight years  
2214 beyond 9/11 now. We have to get moving. This is a far more  
2215 solidly grounded plan, a far more thought out plan. I am not  
2216 saying it is the only plan, and I am not saying all the  
2217 questions are answered right this second. But I think this  
2218 is the one to proceed on if it meets the approval of the  
2219 Congress because Congress a role here too.

2220 But I am happy we have, under the Chairman's leadership,  
2221 moved the ball this far down the field. I think we have a

2222 unified plan here, and we shouldn't--

2223           The {Chairman.} Well, let me ask your colleagues  
2224 because and maybe they can give me a yes or no answer because  
2225 the time is running out. Do you support the recommendation D  
2226 block be auctioned for primarily commercial purposes?

2227           Mr. {McDowell.} Thank you, Mr. Chairman. Very quickly,  
2228 the transition component of that broadband has been  
2229 regulators. Broadband services have never been regulated  
2230 under Title Two. I will be happy if, Chairman, you will  
2231 allow me to file something supplemental for the committee  
2232 outlining the history of that. In any case, the D block, I  
2233 think, primarily should serve as commercial services and  
2234 should be auctioned off accordingly.

2235           Keep in mind that Congress in 1997 well before 2001,  
2236 September 11, set aside 24 megahertz of the 700 megahertz  
2237 block. That is sitting there. That is wonderful spectrum.  
2238 It should be used for something other than narrow band voice.  
2239 Public safety has it at its disposal about 97 megahertz total  
2240 of spectrum of various kinds. Not all apples, some apples  
2241 and oranges but so--

2242           The {Chairman.} So you agree with the--

2243           Mr. {McDowell.} It should be auctioned off  
2244 commercially.

2245           The {Chairman.} Okay, Commissioner Clyburn?

2246 Ms. {Clyburn.} I believe that the auction model is  
2247 comprehensive and pragmatic, yes.

2248 The {Chairman.} Commissioner Baker?

2249 Ms. {Baker.} On balance, I agree with the plan.

2250 The {Chairman.} Okay, the plan recommends that Congress  
2251 come up with very significant amounts of money to fund the  
2252 construction and maintenance of the proposed network.

2253 Chairman Genachowski, does the \$6.5 billion estimated for  
2254 construction of the network account for state matching funds?  
2255 And if the federal government were to contribute to the  
2256 construction of this network, would it be reasonable to  
2257 require states to pay a share of the cost associated with the  
2258 construction?

2259 Mr. {Genachowski.} Well, Mr. Chairman, if I could, we  
2260 would be happy to supply you the underlying work behind the  
2261 \$6 billion. I am not sure of the answer to your question. I  
2262 will say one thing if I could. To move forward on this now  
2263 while commercial forging networks are being built out is the  
2264 least expensive way to make sure that we build a public  
2265 safety network. If we wait, the price will only go up.

2266 The {Chairman.} Thank you very much. I look forward to  
2267 moving on a bipartisan basis to meet the needs of the public  
2268 safety community. I look forward to working with the FCC  
2269 toward that goal. Mr. Chairman, I would like to put in the

2270 record a press comment by the FCC dated August 5, 2005  
2271 regarding the Title One/Title Two issue.

2272 Mr. {Boucher.} Without objection.

2273 The {Chairman.} Thank you.

2274 Mr. {Boucher.} The gentleman from Michigan, Mr. Upton,  
2275 is recognized for five minutes.

2276 Mr. {Upton.} Thank you, and again welcome,  
2277 Commissioners. A number of us have a good number of  
2278 questions. Chairman Genachowski, welcome again. First  
2279 question for me is as it relates to the broadcast spectrum.  
2280 As you know, we are working on legislation here. I think one  
2281 of the things that we want to make sure is that you all do  
2282 not force the broadcasters to give away or auction some of  
2283 that spectrum. Are we on the same page on that?

2284 Mr. {Genachowski.} I think so. The need here is urgent  
2285 for the country. Mobile broadband is as important a platform  
2286 for job creation, innovation for decades to come. We have  
2287 the opportunity to lead the world, but not if we don't have  
2288 enough spectrum. What our team has done is develop a  
2289 win/win/win plan for mobile broadband, for broadcaster, for  
2290 the public that I would be happy to discuss with you further  
2291 but that I think should work for everyone. And it is based  
2292 on voluntary actions by broadcasters and an incentive auction  
2293 that we hope Congress will authorize.

2294           Mr. {Upton.} I like those words. Mr. McDowell, we all,  
2295 as we look to increase speeds, as I look at chapter four in  
2296 this book, it seems to me that if there were a fiber  
2297 unbundling requirement that it would hurt us dramatically as  
2298 we try to deploy fiber networks in areas that do not have the  
2299 broadband access today. I think you are in agreement on  
2300 that. It would be wonderful if you might want to comment.

2301           Mr. {McDowell.} In the next couple of years, if we were  
2302 to do that today, in the next couple of years, I think we  
2303 would receive a tremendous amount of litigation. There are  
2304 two decisions by the U.S. Court of Appeals for the D.C.  
2305 Circuit, USTA 1 and USTA 2, that speak directly to these  
2306 issues. And it is really at this point settled law as  
2307 Commissioner Baker was saying. And I think we would be  
2308 exposing ourselves to a tremendous level of litigation and  
2309 ultimate loss if we tried to impose unbundling regulations on  
2310 fiber that had been laid subsequent to those court cases  
2311 especially.

2312           Mr. {Upton.} And, Chairman Genachowski, I noted that  
2313 Brer Levin, the executive director of your broadband  
2314 initiative, dismissed unbundling in a December 21, '09  
2315 interview as ``not very productive.'' The reason that he  
2316 explained is the Commission is not that terribly--this is  
2317 again in quotes--``not that terribly interested in moving

2318 towards things which will freeze capital investment and have  
2319 long, complicated court battles,' along the lines of what  
2320 Mr. McDowell indicated. More importantly he observed these  
2321 suggestions ``fail to look at what is really going on in the  
2322 market.'' What are your thoughts as it relates to your  
2323 executive director? Does he have good ground?

2324 Mr. {Genachowski.} The goals of promoting investment  
2325 innovation in the sector are our highest goals. Promoting  
2326 competition is one of if not the best strategy to get there.  
2327 Unbundling is a word that creates more confusion, clarifies  
2328 less. What the plan actually focuses on are some issues that  
2329 we heard from business in the market, whether it is special  
2330 access, whether it is providing choice for small businesses.  
2331 We have heard many complaints from small businesses that they  
2332 lack choice, that their prices are too high.

2333 And so the plan suggests several discrete areas where  
2334 the record showed real competition issues, especially for  
2335 small businesses, that it tees up an inquiry by the  
2336 Commission. And I think it is important to look at those.

2337 Mr. {Upton.} But you understand the fear that we would  
2338 have if you pursued such a course?

2339 Mr. {Genachowski.} Of course I do. Again the goals of  
2340 the Commission very clearly are to adopt policies that  
2341 promote investment, promote innovation, promote competition,

2342 and protect and empower consumers. That is what I have  
2343 instructed the staff to look at every day.

2344 Mr. {Upton.} Now, as we look at this entire document,  
2345 tell me what your next step is. What is the timeframe that  
2346 you are going to try to embark on?

2347 Mr. {Genachowski.} Well, the staff has been working on  
2348 an implementation schedule, and so in the period ahead, we  
2349 will be announcing a schedule for implementing the plan. I  
2350 think that there are, as I said during my opening remarks, I  
2351 am not satisfied with the status quo. I think this is an  
2352 extraordinary platform for job creation and investment.  
2353 There are some very real problems that have been acknowledged  
2354 on a bipartisan basis that we need to solve.

2355 So I am going to push to move forward as quickly as we  
2356 can because I think it is critical for U.S. world leadership  
2357 in this area.

2358 Mr. {Upton.} Thank you. Yield back.

2359 Mr. {Boucher.} Thank you, Mr. Upton. The gentleman  
2360 from Massachusetts, Mr. Markey, is recognized for five  
2361 minutes.

2362 Mr. {Markey.} Thank you, Mr. Chairman, very much. The  
2363 first broadband plan was the 1996 Telecom Act. And the 1996  
2364 Telecom Act, of course, actually resulted in broadband being  
2365 regulated under Title Two. And from 1996 all the way until

2366 August of 2005, broadband was under Title Two, just for the  
2367 record.

2368           And during that period of time, we got a lot of policies  
2369 that were implemented. Consumer protection, universal  
2370 service, protecting consumer privacy, interconnection and  
2371 competition provisions, access for individuals with  
2372 disabilities, consumer billing protections. And what was  
2373 also possible under Title Two?

2374           Well, under Title Two, the FCC could forebear if it  
2375 wanted to, and it availed itself of that power right up until  
2376 August of 2005 wherever it thought it was necessary. So I  
2377 don't think we should pretend that going back to Title Two  
2378 would mean that the earth would stop spinning on its axes and  
2379 the end of times would be upon us. We can achieve a sensible  
2380 policy, a balance in Title Two, just as others assert that we  
2381 can achieve it in Title One.

2382           Now, I know that the FCC is fighting in court to defend  
2383 the current Title One policy framework. Hopefully the court  
2384 will uphold that, but if it doesn't, cool heads will prevail.  
2385 And we will work with the FCC to ensure that all of the goals  
2386 that are in this broadband plan, universal service,  
2387 investment, competition, privacy, disability, access, will  
2388 all be implemented. So the agenda for connecting America  
2389 doesn't change if the FCC uses Title One or Title Two.

2390 I know that there are some people out there saying they  
2391 shouldn't have the authority under Title One or Title Two.  
2392 Kind of turn it into an agency that is just kind of enforcing  
2393 the law without any ability to be rule makers, but I just  
2394 completely disagree with that. History says that that is  
2395 completely wrong, and the Telecom Act of '96 was a broadband  
2396 plan. And this is the next iteration of it. This is  
2397 broadband plan number two going forward for the 21st century.  
2398 Do you agree with that interpretation, Chairman Genachowski,  
2399 of the law?

2400 Mr. {Genachowski.} Congressman Markey, you--

2401 Mr. {Markey.} Can you turn on your microphone please?

2402 Mr. {Genachowski.} Sorry. You lived it, and so it  
2403 couldn't possibly be wrong. During those years from 1998 to  
2404 2008, I was in the private sector. I was a business  
2405 operator, and I was in investment. And I am very sensitive  
2406 to the effects that poor policies can have on investment.

2407 I am confident that this FCC will tackle all of these  
2408 issues in a way that has great respect for the private  
2409 investment that we need to get to world leadership on  
2410 broadband. And as you mentioned, the FCC has been operating  
2411 under Title One. A company made a decision to challenge that  
2412 in court. The FCC is defending it, but I believe we have the  
2413 authority and that we will have the authority.

2414 Mr. {Markey.} Okay, and I agree with that 100 percent.  
2415 Otherwise the whole history of the Telecom Act of 1996 makes  
2416 no sense because all of those regulations were implemented  
2417 under Title Two. So it really doesn't make any difference  
2418 except that there are some companies out there that enjoyed  
2419 the forbearance that was engaged by the FCC during a  
2420 particular period of time would just like to extend it in  
2421 perpetuity, and I do not think that would be a good policy  
2422 for our country. Competitiveness, Darwinian, paranoia-  
2423 inducing competition is what America should be all about, not  
2424 forbearing from competition but inducing it into every single  
2425 aspect of this communications marketplace.

2426 That is how we got Hulu and YouTube and Google and EBay  
2427 and Amazon. Not one home in America had broadband in  
2428 February of 1996 when the Telecom Act was signed. Not one  
2429 home had broadband. Ten years later, we come back, and there  
2430 is a completely different dialogue in our country.

2431 One final question. That is on the E-rate that  
2432 Congresswoman Matsui and Capps and I have both introduced,  
2433 have all introduced E-rate 2.0 Act to change the way in which  
2434 we look at the E-rate to ensure that there is more access.  
2435 How do you feel about that, Mr. Chairman?

2436 Mr. {Genachowski.} I think it is essential. I thank  
2437 you, of course, and the committee for its work on E-rate over

2438 the years. One of the things that I see when I talk to  
2439 teachers around the country is how frustrated they are by the  
2440 fact that some of their kids have broadband access, some  
2441 don't. And how frustrated that they are that their  
2442 facilities, while we have connected classrooms, aren't good  
2443 enough to give them what they want. So tackling that is a  
2444 recommendation of the plan. It owes a lot to your leadership  
2445 with respect to E-rate.

2446 Mr. {Markey.} We thank you, Mr. Chairman. We thank all  
2447 of the Commissioners for their excellent work on this plan.  
2448 It is going to actually play a historic role in ensuring that  
2449 America regains its position as number one. Thank you.

2450 Mr. {Boucher.} Thank you, Mr. Markey. The gentlelady  
2451 from California, Ms. Bono Mack, is recognized for five  
2452 minutes.

2453 Ms. {Bono Mack.} Thank you, Mr. Chairman. First  
2454 questions are the Commissioners Genachowski and McDowell. I  
2455 am very concerned about the plan's recommendations to changes  
2456 in the copyright law expanding the definition of fair use.  
2457 Can you please explain why this is necessary?

2458 Mr. {Genachowski.} Sure, the first point to make is  
2459 that it is very important that we make sure that the Internet  
2460 is not only open but a safe place to do business, including  
2461 by owners of copyrights. And so I have been very clear and

2462 the plan is very clear that we need to make sure that  
2463 companies can enforce their rights and that we don't have  
2464 rampant piracy on the Internet.

2465 Over the course of a broadband proceeding, we heard from  
2466 teachers and some in the education community that pointed to  
2467 some narrow issues where they said our ability to do what we  
2468 would like to do in teaching is inhibited, and there may be  
2469 some ways to fix that that don't challenge the fundamental  
2470 point that protecting intellectual property is essential.

2471 Ms. {Bono Mack.} Mr. McDowell?

2472 Mr. {McDowell.} We want to encourage owners of  
2473 copyrighted works to put them online. So they need to feel  
2474 comfortable in doing so. That means they have to enjoy the  
2475 strongest possible intellectual property rights protection.  
2476 We have to allow them to work constructively and  
2477 cooperatively with carriers to police and act against stolen  
2478 intellectual property.

2479 So first of all, I should start off by saying we are not  
2480 the expert agency on intellectual property or copyrights.  
2481 But I am sounding a note of caution when it comes to any  
2482 recommendations that could be seen as wanting to weaken  
2483 intellectual property rights. I think what will actually  
2484 help the proliferation of new content and applications online  
2485 will be if we have strong intellectual property rights

2486 enforcement.

2487           Ms. {Bono Mack.} But there is almost no discussion in  
2488 this whole document about legal content protection. Is it  
2489 not a priority at all for the FCC? Just to either one of  
2490 you.

2491           Mr. {Genachowski.} I believe there is some discussion.  
2492 We would be happy to follow up with you on that. IP is not a  
2493 central issue in the broadband plan, so there is an  
2494 endorsement of the importance of copyright protections, and  
2495 then there is an identification of an issue that was raised  
2496 with us in the record with respect to education and the  
2497 suggestion for further work on that.

2498           Mr. {McDowell.} I think if you look at Sections 11.4,  
2499 15.7, and 15.9, there you will see some discussion there.  
2500 But some of the concerns that when I read it were that we  
2501 could be suggesting a weakening of intellectual property  
2502 rights protection.

2503           Ms. {Bono Mack.} Thank you. Just to echo my concern,  
2504 in the document, the example you cite in fair use is  
2505 actually, you said, teachers seeking to use Beatles' lyrics  
2506 to promote literacy is the example that you cite. Now, in  
2507 education, the best way we can improve literacy is to cite  
2508 the Beatles? And this is the example you have used for this  
2509 argument. Do you care to comment on that? Because you just

2510 spoke to this very comment about it being the example that  
2511 was given to you was the Beatles' lyrics.

2512         Mr. {Genachowski.} I think what I would be happy to do  
2513 is make sure that we share with your office the comments that  
2514 we received from educators on their concerns in this area.  
2515 And I am confident that the report emphasizes the importance  
2516 of intellectual property and puts ideas on the table.

2517         As you know, it is not self-executing, but certainly we  
2518 would be happy to be a resource to you. And I would be happy  
2519 to supply the information that we received in the course of  
2520 process on the issues that that section addresses.

2521         Ms. {Bono Mack.} I would appreciate that very much.  
2522 Does anybody else care to comment?

2523         Ms. {Baker.} I would like to make a comment. I have  
2524 not visited with the teachers or the educational community,  
2525 so I can't speak to that. But I have visited with consumers  
2526 and media companies. And video is driving broadband at  
2527 option. And for media companies to put their expensive  
2528 content on the web, they need to have assurance that it is  
2529 going to be protected.

2530         And so I think it is very important that we consider  
2531 this as we move forward with broadband, and that it is very  
2532 important that we are protecting our intellectual property.

2533         Ms. {Bono Mack.} Thanks very much, Mr. Chairman. I

2534 yield back.

2535           Mr. {Boucher.} Thank you, Ms. Bono Mack. The  
2536 gentlelady from California, Ms. Eshoo, is recognized for five  
2537 minutes.

2538           Ms. {Eshoo.} Thank you to each one of you. I hung on  
2539 every word of your testimony and welcomed it. So thank you  
2540 again for the extraordinary work.

2541           We know that or I am convinced that you all, through  
2542 your testimony and otherwise, that you recognize the need for  
2543 speed, but I continue to have some concerns, especially when  
2544 it comes to spurring competition with new and innovative uses  
2545 of the spectrum. There are so many entrenched interests that  
2546 seem to be able to stop new ideas from taking root through  
2547 delaying tactics that keep the spectrum concentrated in the  
2548 hands of the larger carriers. I think this concern has been  
2549 raised by other members of the committee as well.

2550           If we are going to see that 100 megabytes reach 100  
2551 million homes, the FCC has to begin and complete rule makings  
2552 faster so we can see immediate action. And I don't know what  
2553 you all have to say about that. I think that perhaps it is  
2554 more in the hands of the chairman. I might be wrong about  
2555 that.

2556           I am disappointed that the advanced wireless spectrum,  
2557 the AWS3, was not recommended for immediate deployment. You

2558 are not surprised by my comment, Mr. Chairman, on that. It  
2559 was a proceeding that was teed up years ago, and I don't  
2560 really think that businesses can either afford to or should  
2561 be allowed to have to hang around and lose money for years.

2562 It is my understanding that the DOD's spectrum band that  
2563 the National Broadband Plan, that you are considering pairing  
2564 that spectrum with the currently jammed, I think it is jam-  
2565 packed with vital systems, including the drones. I put on my  
2566 Intelligence Committee hat. The drones were air strikes in  
2567 Afghanistan and Pakistan and border security here at home.  
2568 And that these systems in the band cost over \$100 billion and  
2569 can't be relocated until 2030.

2570 I don't know if you want to comment on this. I don't  
2571 really see the DOD giving up spectrum. So have you contacted  
2572 the DOD? Has the DOD contacted you? That is my first  
2573 question. And if you don't find paired spectrum by the  
2574 October deadline that you outlined in the report, are you  
2575 actually going to auction the spectrum and put it in use as  
2576 soon as possible?

2577 I am going to continue on with my questions and then you  
2578 can answer them. On the next generation 911, as I said, Mr.  
2579 Shimkus and I are cochairs of the E-911 caucus. We have  
2580 offered legislation, and if you have had a chance to take a  
2581 look at it, what your take is on that.

2582           There are so many things to ask about. Of course, we  
2583 are going to submit more questions that you can answer in  
2584 writing. Public television and their broadcast spectrum  
2585 issues, the public television stations are very different  
2586 from commercial television stations as you obviously  
2587 appreciate. As the Commission looks ahead the rule makings  
2588 announced in the plan to reclaim the 120 megahertz of  
2589 spectrum from these broadcasters.

2590           Can you give us any assurances that public television  
2591 stations would be protected from involuntary reallocations of  
2592 that spectrum? I think it is important that they are  
2593 protected. I think they represent one of the treasures of  
2594 our Nation. So those are my opening questions, and I am  
2595 going to submit to you, to the Commission to respond to in  
2596 writing.

2597           So whoever would like to answer, I welcome it.

2598           Mr. {Genachowski.} I would be happy to do so. On the  
2599 first issue, our staff at the FCC and their colleagues at  
2600 NCIA and other agencies have been talking about spectrum and  
2601 with respect to the spectrum you mentioned, they have  
2602 identified a potential opportunity that could be very good  
2603 for the country in terms of pairing.

2604           I completely agree with you that it is a bad practice to  
2605 extend proceedings, petitions indefinitely at the FCC, and

2606 one of the things that the plan did was put a deadline on  
2607 exploration of this pairing alternative. And I believe the  
2608 plan goes on to say that if the pairing is not possible, then  
2609 the Commission should proceed, adopt rules, and auction that  
2610 spectrum.

2611 With respect to E-911, I think we owe you and  
2612 Congressman Shimkus thanks for the ideas because I believe  
2613 that E-911 is discussed in the broadband plan certainly as  
2614 part of looking to the future on public safety in the 21st  
2615 century, and broadband tackling 911 and the way that people  
2616 are actually using communication devices is essential.

2617 And on public TV, the answer to your question is yes,  
2618 and I think for public TV too, there is an opportunity here  
2619 for a win/win. And that is something that I hope we can work  
2620 on with everyone together in the proceedings that will watch.

2621 Ms. {Eshoo.} Thank you very much, and I am very  
2622 excited. It is as if the cobwebs are being cleared and we  
2623 have a vision for our future. And I really look forward to  
2624 working with the Commission and the full subcommittee on  
2625 this. Thank you.

2626 Mr. {Boucher.} Thank you very much, Ms. Eshoo.  
2627 Gentlelady from Tennessee, Ms. Blackburn, is recognized for  
2628 five minutes.

2629 Mrs. {Blackburn.} Thank you, Mr. Chairman. And I want

2630 to thank you all again for being here. I have to tell you.  
2631 The lack of attention to intellectual property and the way  
2632 you are punting the question is a little bit troubling to me.  
2633 I think that you have to look at the fact that broadband--you  
2634 are talking about wanting broadband, a robust broadband  
2635 deployment and expansion. And to not have some of the  
2636 intellectual property protections--and I know that you are  
2637 not the central agency that handles that, but I do think that  
2638 it is worthy of a revisit from you.

2639 The expansion of fair use is of concern to me. One of  
2640 my writers terms it fairly useful way to steal my money. And  
2641 that is his version of fair use. So I think that I would  
2642 encourage you all to have a revisit on that.

2643 I have about seven questions. I am not going to get  
2644 through all of them. So, Commissioner McDowell, you had  
2645 mentioned something I want to go back to. The notion of net  
2646 neutrality, having net neutrality and those net neutrality  
2647 rules could complicate the efforts to enforce the laws on  
2648 illegal content, illegal downloading online. I would like  
2649 for you to just expand a little bit about that relationship  
2650 between net neutrality rules and enforcement against illegal  
2651 content.

2652 Mr. {McDowell.} Sure. First of all, the proposed rules  
2653 do call for a carveout for enforcement of such things as

2654 illegal content, not just intellectual property theft but  
2655 child pornography or things involving national security, et  
2656 cetera.

2657           But I think my concern with adopting those rules in  
2658 general is the amount of uncertainty that it will inject. We  
2659 have talked about today extensively Title One versus Title  
2660 Two. I will be filing a letter with the committee regarding  
2661 my position on that, but that is being litigated before the  
2662 courts. And these things do take years.

2663           In the meantime, would new rules actually give network  
2664 operators pause in terms of acting on a number of fronts  
2665 including the enforcement of intellectual property where it  
2666 might not be so clear, especially if we are talking about  
2667 relaxing or undermining fair--expanding fair use, undermining  
2668 of the existing protections? So I think it creates some  
2669 certainty.

2670           You know after the '96 Act, we have the legislation and  
2671 then regulation and then litigation cycle that went on for  
2672 better part of a decade. I would think that after we try to  
2673 promulgate some rules, we would have at least half a decade  
2674 of such uncertainty, and that is probably not good for  
2675 intellectual property rights holders.

2676           Mrs. {Blackburn.} Okay, Mr. Chairman, let us go back to  
2677 Commissioner Baker's comment where, you know, talking about

2678 the media companies and the push to get that content on their  
2679 because of the way people are doing research. So if you want  
2680 to ensure both a robust broadband deployment and a protection  
2681 of the intellectual property and that content from those  
2682 copyright industries that are going to be essential and are  
2683 going to contribute to that growth, then how are you going to  
2684 go about that?

2685 I think we have to realize that our core copyright  
2686 industries contributed nearly a quarter of the real growth we  
2687 had in our economy last year. And you are talking about, you  
2688 know, ease of access here. So how are you going to marry  
2689 those two? We are all interested in it. We have a lot of  
2690 innovators who have invested a lot of money in new platforms.  
2691 So how do you make that guarantee?

2692 Mr. {Genachowski.} Well, one is I couldn't be more firm  
2693 in my conviction that it is essential to be able to protect  
2694 intellectual property on the Internet. I have been clear  
2695 about this since the first day I was sworn in as Chairman. I  
2696 understand that one, it will be video under Commissioner  
2697 Baker and other content that will be an important part of  
2698 driving broadband everywhere, and one of the main ways that a  
2699 strong broadband policy will create job creation and  
2700 innovation in the country.

2701 So I think in general I am in complete agreement with

2702 you on this. I think we have to be sensitive as a Commission  
2703 to suggestions that we have from teachers or others saying  
2704 can you look at narrow issues to see what makes sense. We  
2705 wouldn't do anything in this area without a robust, open,  
2706 participatory proceeding that heard views from everyone  
2707 involved. And I think that is our job. But I should stop  
2708 there, but I don't--

2709 Mrs. {Blackburn.} Well, we are out of time, so that  
2710 will be fine. And thank you again so much to all of you for  
2711 your preparation and being here. And, Mr. Chairman, I will  
2712 submit the balance of my questions, and we are appreciative  
2713 for your efforts today. Thank you.

2714 Mr. {Boucher.} Thank you very much, Ms. Blackburn. The  
2715 gentleman from Michigan, Mr. Stupak, is recognized for five  
2716 minutes.

2717 Mr. {Stupak.} Thank you, Mr. Chairman. Chairman  
2718 Genachowski, Mr. Waxman spent a little bit of time on public  
2719 safety. I have a couple questions I would like to follow up  
2720 on. The National Broadband Plan proposes roaming and  
2721 priority access to public safety organizations for all  
2722 license holders in the 700-megahertz realm. What type of  
2723 obligations would be placed on commercial providers to ensure  
2724 that public safety is given more than just priority access  
2725 but also a robust and resilient access at times of emergency?

2726 Mr. {Genachowski.} Well, the details of that are  
2727 exactly the kind of thing that would be worked out of the  
2728 rule making that we will hold. But that is the--what you  
2729 describe is the goal. To put in place a mechanism where  
2730 public safety can have prioritized access to spectrum that it  
2731 needs. The team that has worked so hard on this and has  
2732 consulted with everyone involved believes that there is a  
2733 path that can work for public safety and deliver on the 9/11  
2734 Commission recommendations and that is also reasonable for  
2735 wireless industry, and it takes advantage of this unique  
2736 moment in time. If we do this as the commercial networks are  
2737 being built out, we can get it done, do it efficiently, and  
2738 deliver on the 9/11 Commission recommendations.

2739 Mr. {Stupak.} Well, in order for it to work though, you  
2740 are going to have to have a ready and willing commercial  
2741 partner to work with for law enforcement. And are you  
2742 confident we are going to have it in all parts of America,  
2743 especially our rural areas? If they don't, how would public  
2744 safety proceed to have this plan?

2745 Mr. {Genachowski.} I asked this question of our team  
2746 because I wanted to make sure that the plan that was being  
2747 proposed met these goals. They are confident that this  
2748 mechanism will work for public safety and that commercial  
2749 providers will provide the access that is described in the

2750 plan.

2751 Mr. {Stupak.} Even in areas that are not developed now?

2752 Mr. {Genachowski.} I believe that is the case. It is  
2753 certainly something we would be happy to follow up with you.  
2754 Sorry, the areas that are not developed now, the idea is that  
2755 as we push forward on forging mobile broadband network  
2756 everywhere, it would be developed and that actually it would  
2757 accelerate buildout of 4G networks in rural areas because we  
2758 can do the commercial networks and the public safety networks  
2759 together.

2760 I fear that if we don't do that, in some areas, we won't  
2761 get any 4G networks, and some areas we might get commercial  
2762 and no public safety at all because, as Commissioner McDowell  
2763 mentioned, there is public safety spectrum that is there. It  
2764 is not being built, and the goal here is to get it built.

2765 Mr. {Stupak.} You mentioned 4G, but then you add in the  
2766 mobility fund, you provide for support for 3G wireless  
2767 network. So I guess that seems like--how are you going to  
2768 get the 4G then to help our law enforcement in those areas  
2769 when the minimum is going to be a 3G in that Connect America  
2770 Fund, I think it is, in your proposal. And plus you are only  
2771 going to support one carrier with subsidies in a given  
2772 geographic area, right, underneath this Connect America Fund?

2773 So how will you determine which broadband provider in a

2774 given area would receive support if they are only supposed to  
2775 be 3G, but yet you are talking about public safety needs 4G?  
2776 How do we bridge that?

2777 Mr. {Genachowski.} Well, the 3G networks would be the  
2778 foundation for the 4G networks, so I do think this is part of  
2779 the solution to make it happen. With respect to the other  
2780 issues, I think you are raising issues that, of course, we'll  
2781 take up in the course of developing the rule making. In the  
2782 meantime, we would be happy to follow up with you on more  
2783 information that went into the development of this plan.

2784 Mr. {Stupak.} Well, let me ask you one more since we  
2785 are going to look to the future development. In the  
2786 intercarrier compensation scheme that is going to be sort of  
2787 Universal Service Fund phased out, what, over 10 years? Is  
2788 that what it is?

2789 Mr. {Genachowski.} Yes.

2790 Mr. {Stupak.} Okay, and how does the FCC plan to ensure  
2791 that the necessary support for rural telecommunications  
2792 remain in places considering how essential the implicit  
2793 support is to many of these rural companies?

2794 Mr. {Genachowski.} Well, we believe that the plan  
2795 proposed a transformation over 10 years.

2796 Mr. {Stupak.} Okay.

2797 Mr. {Genachowski.} We will have that result. As I said

2798 to one of your earlier questions, the team has also suggested  
2799 an alternative to accelerate the transition. There is a  
2800 possibility of identifying additional funding. That is a  
2801 choice that we would be happy to work with the committee on.  
2802 But the goal of the plan would be to deliver exactly what you  
2803 are seeking for rural America.

2804 Mr. {Stupak.} I appreciate the goals and the thought  
2805 and analysis that went into this. It is just that whenever  
2806 we do, whether it is the Telecommunications Act of '96 or  
2807 anything, it is always rural areas, we will get to you. We  
2808 are still waiting, and law enforcement, it is even greater.  
2809 You say you need 4G. We can't even get the basic cable up in  
2810 some of those areas or DSL. So I am a little concerned about  
2811 that.

2812 Commissioner Copps, I have four seconds left. The bill  
2813 we entered as the FCC Corroboration Act, give me just a quick  
2814 comment on why we need it and hopefully we can convince the  
2815 chairman, even though he has indicated we might get a hearing  
2816 on it here soon, why we need this.

2817 Mr. {Copps.} Well, I want to commend you again on  
2818 introducing the legislation to make this possible. I just  
2819 think it would be a great step forward from the standpoint of  
2820 dispatching the business of the Commission. You know we were  
2821 all standing around in the room out front waiting for the

2822 hearing to start here, and it was an opportunity we could  
2823 have talked about some stuff on broadband and maybe resolved  
2824 a problem or two. I don't know. But we all had to get  
2825 lockjaw at that point because we would be delving into the  
2826 world of substance.

2827         So I think from the standpoint of doing business, you  
2828 have five people here who come from five very different  
2829 backgrounds with hopefully different talents to contribute to  
2830 the cause, different perspectives. You can really benefit  
2831 from those folks sitting around and talking about these  
2832 issues. It serves the public interest. You do it with  
2833 counsel present. You build in protections, but the system we  
2834 have right now disservices the public interest and retards the  
2835 ability of the Commission to discharge its obligations in a  
2836 timely and public-interest-friendly fashion. And if there  
2837 was one reform that I could make at the FCC, the one you  
2838 proposed would be it.

2839         Mr. {Stupak.} Thank you very much.

2840         Mr. {Stupak.} Ms. Clyburn wants to comment on it.

2841         Ms. {Clyburn.} Mr. Chairman, if you would allow. One  
2842 example to augment that. I had the opportunity to chair the  
2843 joint board for USF where all of the joint boards. Thank you  
2844 very much, Mr. Chairman. And one of the things--and my  
2845 colleagues are members. I distinctly remember on our

2846 inaugural call, which we had a lot of new voices because it  
2847 was virtual. A lot of voices on the line and Commissioner  
2848 Copps was in the middle of a very significant point, and it  
2849 was 17 minutes after the hour when Commissioner Baker--and  
2850 she was quite on time--came into the room. And Commissioner  
2851 Copps had to get offline. So what happens is we lost that  
2852 exchange, and just lost that train of thought. And it is a  
2853 very cumbersome process. So I thank you for recognizing that  
2854 even on that level where notes would be taken that this  
2855 country and the joint board would be better served in having  
2856 a process that is more relaxed.

2857 Mr. {Boucher.} Thank you very much--

2858 Mr. {Stupak.} Thank you, Mr. Chairman.

2859 Mr. {Boucher.} --Ms. Clyburn and Mr. Stupak. And let  
2860 me assure you there will be a hearing on your measure in the  
2861 not-too-distant future. The gentleman from Alabama, Mr.  
2862 Griffith, is recognized for five minutes.

2863 Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate  
2864 the opportunity. When you mention staff, is it your staff  
2865 that is going to make the recommendation so that we remain  
2866 competitive and enhance the creativity of our Internet?

2867 Mr. {Genachowski.} I think it is the FCC staff.

2868 Mr. {Griffith.} Well, it is the FCC staff. Is there a  
2869 group that is specifically in tune with what has happened in

2870 the marketplace in the last 10 years and has a relationship  
2871 with that marketplace?

2872 Mr. {Genachowski.} That is a great question. That is  
2873 the job of the staff of the agency to be proactive, to stay  
2874 on top of market developments and to make sure that we have  
2875 the skill sets necessary to do our job.

2876 Mr. {Griffith.} Right, and so those individuals have  
2877 had experience in the marketplace and understand the reality  
2878 of the capitalistic system and the development and the risk  
2879 capital and that sort of thing? Is that a fair--

2880 Mr. {Genachowski.} I come from 10 years in the private  
2881 sector and taking this job, and I have focused on bringing in  
2882 to the staff a broad collection of people with backgrounds in  
2883 operating businesses and investment firms as well as people  
2884 who have other relevant experiences. I think that is how we  
2885 do our job best, to put a room together of people with  
2886 different backgrounds and disciplines and have them focused  
2887 on doing the right thing for the country. But certainly  
2888 making sure that people have a very real understanding of  
2889 technology, the marketplace, what drives business decisions  
2890 is essential to me.

2891 Mr. {Griffith.} Would it be five or six staff members  
2892 that will be assigned to the development of the language and  
2893 how it might affect private investment?

2894 Mr. {Genachowski.} I think the implementation of the  
2895 plan will be worked on by many more staff members than that.

2896 Mr. {Griffith.} Well, where I am going is I would love  
2897 for you to identify those for me, and I would love to sit and  
2898 see their resumes and also talk with them if that would be  
2899 fair because it is of great interest to me, having been in  
2900 the communication field once before.

2901 And in the interest of the health care bill that we just  
2902 went through, I have read that bill, and there is no  
2903 provision in the health care bill for broadband envy. So we  
2904 have to--that is a joke. We hope that you guys can solve  
2905 that problem for us here. And thank you very much for being  
2906 here. We appreciate it.

2907 Mr. {Boucher.} Thank you, Mr. Griffith. The gentlelady  
2908 from California, Ms. Matsui, is recognized for five minutes.

2909 Ms. {Matsui.} Thank you very much, Mr. Chairman. You  
2910 know in many districts even like mine in Sacramento, there  
2911 are far too many households who cannot afford broadband  
2912 services. In a recent survey conducted by the FCC found that  
2913 93 million Americans do not subscribe to in-home broadband  
2914 services in large part because of affordability barriers.

2915 The fact is the high cost of broadband leaves far too  
2916 many lower income families in urban and rural areas at a  
2917 severe disadvantage in our economy. Last September, I

2918 introduced a broadband affordability act to expand the USF  
2919 Lifeline Assistance Program for universal broadband adoption.  
2920 This bill will ensure that all Americans, whether they live  
2921 in urban, suburban, or rural areas all have access to  
2922 affordable broadband services.

2923 Chairman Genachowski, I applaud you actually and the  
2924 Commissioners for including this proposal as a central  
2925 element of your plan. How important is it, in your view, is  
2926 it for our economy and for the matter of our country to fully  
2927 close the digital divide?

2928 Mr. {Genachowski.} I think it is essential, and I  
2929 appreciate your leadership on this, and it is included in the  
2930 plan. Ten years ago if you were looking for a job, you would  
2931 get a newspaper. You would look at the classified, and that  
2932 is how you would look for a job. Today job posting have  
2933 moved online. Most jobs require online applications. If you  
2934 don't have Internet access, you are disadvantaged in looking  
2935 for a job. More and more jobs require basic digital skills  
2936 and digital literacy, and so it is very important that we  
2937 move forward on this.

2938 It is one of our biggest gaps too globally where other  
2939 countries are ahead of us on adoption rates. So it is a very  
2940 important challenge. There is no silver bullet, and the plan  
2941 recommends a number of different strategies to tackle

2942 adoption issues.

2943           Ms. {Matsui.} Now, if this program, my linkup program  
2944 for universal broadband service were implemented, in your  
2945 view, how much do you estimate it increase the broadband  
2946 adoption rates in urban and rural areas?

2947           Mr. {Genachowski.} Well, we have set a goal in the plan  
2948 of moving from 65 percent to 90 percent adoption over the  
2949 next 10 years, which would be a third as fast, two-thirds as  
2950 fast as the adoption rate for telephone. With respect to  
2951 lifeline linkup, we want to move forward as quickly as we can  
2952 with smart pilot projects so we can identify what works, what  
2953 really moves the needle on adoption, and then focus our  
2954 energies on those.

2955           Ms. {Matsui.} And that would be both in urban and rural  
2956 areas?

2957           Mr. {Genachowski.} Yes.

2958           Ms. {Matsui.} Okay, that's great.

2959           Mr. {Genachowski.} Yes.

2960           Ms. {Matsui.} I had in my opening remarks broadband is  
2961 going to play a major role in the sustainable path to clean  
2962 energy economy, improving energy efficiency standards, and  
2963 lessening our dependence on foreign oil.

2964           As I mentioned before, I will soon be introducing  
2965 legislation that will complement many of the recommendations

2966 made in your plan to modernize our Nation's smart grid. In  
2967 doing so, it will make our smart grid more reliable and  
2968 efficient and assure resilience to natural disasters and  
2969 empower consumers to make more energy efficient and economic  
2970 decisions about their energy usage.

2971 Chairman Genachowski, how important do you believe that  
2972 broadband is to modernize our Nation's smart grid?

2973 Mr. {Genachowski.} I think it is essential. I think  
2974 Congress was wise in instructing us to prepare a broadband  
2975 plan, to ask us to look at the relationship between broadband  
2976 and energy, health care, education. There is a section in  
2977 the plan, as you know, but it is going to be critical to  
2978 integrate broadband with our smart grid both critical and  
2979 efficient and ultimately would result in very significant  
2980 savings and benefits for the country.

2981 Ms. {Matsui.} Well, can you expand on the point made in  
2982 the plan about the importance of insuring that consumers have  
2983 greater access to information about their electricity usage,  
2984 and why is it so important? What are the barriers in order  
2985 to provide them that access?

2986 Mr. {Genachowski.} There is terrific innovation going  
2987 on in this base with products that help consumers visualize  
2988 their energy use and a lot of evidence that that translates  
2989 directly into energy savings. Many of those technologies

2990 rely on broadband connectivity and often wireless  
2991 connectivity to fully see and fully visualize. So homes that  
2992 don't have access to broadband or haven't adopted broadband  
2993 are not able to get the benefits of those kinds of  
2994 technologies. And so in a number of different areas here,  
2995 the nature of broadband is a general purpose technology that  
2996 can fuel so much innovation, investment, and benefit  
2997 producing activity applies very much to energy. And this is  
2998 a good example.

2999 Ms. {Matsui.} Well, in Sacramento, the utility district  
3000 receive \$129 million grant for smart grid, and in talking, we  
3001 felt it was really important to look at that and look at  
3002 broadband and how the connection of this is so important when  
3003 you think about the community and what we need to do and to  
3004 see the relationships.

3005 That is really very important too because for some  
3006 reason I think when you think about things like smart meters  
3007 and being able to find out what's being used in your house,  
3008 people seem to understand that this is somehow connected to  
3009 broadband. So I think it is important, and I am very  
3010 grateful that you have a new plan. Thank you.

3011 Mr. {Genachowski.} Thank you.

3012 Mr. {Boucher.} Thank you very much, Ms. Matsui. The  
3013 gentleman from Michigan, Mr. Rogers, is recognized for five

3014 minutes.

3015 Mr. {Rogers.} Thank you very much, Mr. Chairman.

3016 Thanks again, Commissioners. Mr. Genachowski, I am very

3017 impressed with and I like a lot what you are saying. But

3018 when I went back and took a look at your statement on

3019 September 17 at the hearing, nowhere in this statement does

3020 it talk about net neutrality, not once. Great statement.

3021 Get tears in your eyes reading this thing. I want to stand

3022 up and salute the flag.

3023 And then four days later, you introduce a rule, a pretty

3024 sweeping rule on net neutrality. Today I heard you tell this

3025 panel that I am for a light touch on regulation. That is

3026 what has generated all of this competition, and yet your FCC

3027 was doing oral arguments arguing where you have the ability

3028 to regulate the Internet. And maybe you can help me

3029 understand how we get from that position to net neutrality

3030 and your position of today that you are telling me now, which

3031 I like to hear, light touch on regulation. You can argue the

3032 case that you have the ability to do that even though it

3033 appears to me by reading the case that the three-judge panel

3034 was pretty tough on your position. Could you help me

3035 understand that, sir?

3036 Mr. {Genachowski.} Sure, I think, you know, I have been

3037 very public for quite a long time on my very strong view that

3038 clear, high-level rules to preserve a free and open Internet  
3039 are pro-investment rules, pro-competition, pro-innovation  
3040 that we have an obligation to make sure that the open  
3041 architecture of the Internet that has served the country so  
3042 well continues going forward. So I see real consistency  
3043 between my priorities of innovations and investment and  
3044 preserving a free and open Internet.

3045 Mr. {Rogers.} The very things that you reference  
3046 actually in your speech to the Brookings Institute where you  
3047 talked about, you know, Chevrolet and hot dogs and apple pie.  
3048 Great stuff, but you--there are some of the things that you  
3049 reference, Netscape, started in Ann Arbor, Michigan. We are  
3050 very proud of that. The Facebook, those other innovations  
3051 didn't happen because of this social justice notion we are  
3052 going to have this exchange of information. We are going to  
3053 be in the back yard and have Kum By Ya and play drums. And  
3054 somebody was going to make some money, right?

3055 Mr. {Genachowski.} Absolutely.

3056 Mr. {Rogers.} And so what you are saying is I believe  
3057 in the light touch. I believe in a free and open Internet.  
3058 That is why we are going to regulate the Internet. There is  
3059 no such thing as being a little bit pregnant. When you start  
3060 getting into regulation of the Internet, you are going to  
3061 make determinations. You have to make determinations.

3062           And you are arguing the fact that you absolutely have  
3063 the ability to do it. I agree with the three-judge panel. I  
3064 don't think you do. I would love to know--obviously we are  
3065 going to disagree. You think it is consistent that you can  
3066 do that. I don't think you are. You need to help me  
3067 understand where does it say, in what section of the law, in  
3068 what you are arguing that gives the FCC the ability to  
3069 regulate the Internet.

3070           Mr. {Genachowski.} Well, we are not in favor--I am not  
3071 in favor of regulating the Internet.

3072           Mr. {Rogers.} But you are in favor of net neutrality  
3073 which is regulating the Internet.

3074           Mr. {Genachowski.} I completely disagree with that,  
3075 sir. It is about--in fact, some companies have come to us to  
3076 suggest that we regulate the Internet, and we have resisted  
3077 it. The FCC has, for many decades, had rules that apply to  
3078 the onramps for the Internet to promote competition to make  
3079 sure that those are free and open and fair. And I do think  
3080 that we should continue that in the Internet world so that  
3081 the next Facebooks, the next eBay, the next Netscapes have  
3082 the ability to innovate, to invent, and as you say, I  
3083 completely agree, get a return on their investment by having  
3084 a fair chance to reach a market.

3085           Mr. {Rogers.} And I agree with you, but when the

3086 federal government, FCC, gets into the business of setting up  
3087 what those rules are that don't exist today, you have  
3088 regulated the Internet. I don't know how you cross that  
3089 barrier and think that there's no harm, no foul. There  
3090 clearly is, and I will tell you what will happen. There is a  
3091 member who--a complete free market. I believe in the market.  
3092 I think it works.

3093 Now we are going to create these big programs to give  
3094 broadband to people because maybe you have all gotten in and  
3095 regulated the Internet where there isn't a clear market  
3096 solution, but there might be in your terms, at least Mr.  
3097 Copps' view, I think, a social justice issue for having that  
3098 broadband at the house.

3099 Now you have completely dismantled the very model that  
3100 got us to 200 million folks having access to broadband, and  
3101 how you don't intertwine that is beyond me. And I guess my  
3102 concern is exactly that. You say here light touch. Four  
3103 days later, you unleash a pretty aggressive, first-time-ever  
3104 I would argue regulation of the Internet.

3105 Today you said light touch. What is next? I mean  
3106 obviously this is something you are whetted to and you are  
3107 clearly committed to this. And I think Mr. McDowell pointed  
3108 out this section. I apologize. I don't--it was section 17?  
3109 Is that right, sir? Did I get that right? I mean so you

3110 have clearly laid out the platform to do this. And is it  
3111 your position that you are going to continue to pursue at  
3112 least in court that you have the right to regulate the  
3113 Internet?

3114 Mr. {Genachowski.} If I may, sir, when I started at the  
3115 FCC, the prior administration had adopted first a set of  
3116 principles regarding the free and open Internet, then  
3117 enforced those principles against a company. It was the  
3118 prior administration that did it. That is why we are now in  
3119 court. It took those principles and attached them as  
3120 conditions to a merger, so I inherited a landscape around  
3121 this area where there were open Internet rules in effect, but  
3122 they were confusing to people, diminishing predictability and  
3123 certainty.

3124 I think it is important to adopt clear, high-level rules  
3125 of the road that encourage innovation, competition, and that  
3126 make clear what is not permitted. And almost anyone involved  
3127 in this will tell you there are some things you shouldn't be  
3128 able to do. Make clear what is permitted, and then have a  
3129 fair process for disputes to be resolved.

3130 And I would be happy to work with you on that. I think  
3131 there is a way to do this completely consistent with  
3132 investment growth.

3133 Mr. {Boucher.} Thank you very much, Mr. Rogers. Your

3134 time has expired.

3135 Mr. {Rogers.} Thank you, Mr. Chairman.

3136 Mr. {Boucher.} The gentleman from California, Mr.

3137 McNerney, is recognized for five minutes.

3138 Mr. {McNerney.} Thank you, Mr. Chairman. You know I

3139 have really enjoyed this hearing so far. Mr. Chairman, I

3140 have a question concerning access. Do you believe that

3141 pursuing a purely engineering approach to meeting data flow

3142 challenges would make net neutrality an obsolete issue?

3143 Mr. {Genachowski.} I would be--one of the suggestions

3144 that I made in the rule making that we propose was to

3145 increase transparency, to increase the information about the

3146 engineering network management rules that will be available

3147 to entrepreneurs and CTOs. I think it would have the

3148 positive effect of minimizing disputes, minimizing the

3149 government role. And so if that is what you are referring

3150 to, it is something that I would like to pursue.

3151 Mr. {McNerney.} Well, what I am getting at is that a

3152 purely engineering approach would basically expand the

3153 capability of the existing spectrum, and that may be enough

3154 to override whatever net neutrality issues are. Commissioner

3155 McDowell, do you have--your head is shaking there.

3156 Mr. {McDowell.} I think you are on the right track

3157 absolutely. I think what can actually obviate the need for--

3158 first of all, there is no need. The Internet is not broken  
3159 in this regard, but what we really--the ultimate antidote to  
3160 potential anticompetitive behavior is more competition,  
3161 especially in the last mile. The most robust area for that  
3162 competition recently has been wireless.

3163         The Commission has worked hard for years since the  
3164 chairmanship of Michael Powell, for instance, on getting  
3165 unlicensed use of the white spaces out to market. This is  
3166 something that in November of '08 with great fanfare we  
3167 announced a groundbreaking order of 5-0 bipartisan unanimous  
3168 vote. It was absolutely a wonderful moment, but we have  
3169 bogged down in our progress there.

3170         Something like the use of unlicensed use of the white  
3171 spaces could actually absolutely obviate the need for any  
3172 rules. I dispute that there is a need right now. The record  
3173 doesn't have any evidence that there is. But you are  
3174 absolutely right. So also with new technologies, cognitive  
3175 radio, software defining radio, new smart antenna  
3176 technologies. All these can allow us from a wireless  
3177 perspective to have more competition the last mile wirelessly  
3178 so you get multiple providers and consumers have a wonderful  
3179 robust marketplace to choose from.

3180         Mr. {McNerney.} Thank you. I have another question for  
3181 you, Commissioner McDowell. Do you feel that the plan will

3182 succeed in meeting the six goals that are identified? Do you  
3183 think the plan as written and published?

3184 Mr. {McDowell.} It remains to be seen. First of all,  
3185 it is obviously a very ambitious plan. It is very lengthy.  
3186 There are several hundred recommendations, some of which are  
3187 for the FCC to do, some of which are for other agencies to  
3188 do, some of which are for Congress to do. So all those  
3189 moving parts, I think it is going to be very difficult to say  
3190 all of them are going to realize the hope of their  
3191 recommendations. But we can always be optimistic.

3192 Mr. {McNerney.} One more question for you if you don't  
3193 mind. While I certainly appreciate the risk of additional  
3194 regulation, and, as I mentioned in my opening statement,  
3195 creating jobs is very important to me, considering the  
3196 situation in my district and in the country. And I wish to  
3197 work with the Commission on that issue as we move forward.

3198 Do you think there is any risk of abuse without further  
3199 regulation, without additional regulation? Is that something  
3200 you see as a potential problem?

3201 Mr. {McDowell.} Well, I think in the context, for  
3202 instance, of our net neutrality proceeding, the Department of  
3203 Justice, the anti-trust division found comments in early  
3204 January, which is very rare for the anti-trust division to do  
3205 that. It examined the marketplace and not only said was it

3206 not broken, in other words, there was not concentration and  
3207 abuse of market power, there was actually downright  
3208 optimistic that there is a competitive marketplace for  
3209 broadband and that more competition is coming, especially  
3210 because of wireless.

3211         The Federal Trade Commission also examined this in 2007.  
3212 Issued a 5-0 bipartisan unanimous report that said that we  
3213 need to be very careful. This is a competitive marketplace,  
3214 and while new rules might have the best of intentions, they  
3215 could create regulatory uncertainty. So I think there is  
3216 great risk there.

3217         Mr. {McNerney.} Any other Commissioners care to take a  
3218 stab at that?

3219         Ms. {Clyburn.} As it relates to competition, sir, I am  
3220 concerned about the future. In chapter four of the plan, it  
3221 talks about what 2012 looks like, and it talks about cable  
3222 rolling out its DOXIS 3.0 product which will provide  
3223 incredible--the goal, incredible potential high speed. What  
3224 it also points out is that in the market that we are  
3225 speaking, that competition may only exist in up to 15 percent  
3226 of the market.

3227         So if we talk about, you know, prices and service  
3228 quality and the like, I am a bit concerned because I don't  
3229 see robust competition in that particular segment in terms of

3230 high speed deployment being available in the next couple of  
3231 years.

3232 Mr. {McNerney.} Okay, thank you.

3233 Ms. {Baker.} I appreciate and understand the concern.  
3234 My concern is that we proactively produce regulations when we  
3235 are talking about a marketplace in the future. I think that  
3236 right now the market is competitive, and any significant  
3237 change in the regulatory environment will cause investment to  
3238 dwindle, and that will cause jobs to dwindle. And I think we  
3239 need to be very careful when we tread in this area.

3240 Mr. {McNerney.} Okay, thank you. My time is up.

3241 Mr. {Boucher.} Thank you very much, Mr. McNerney. The  
3242 gentleman from Missouri, Mr. Blunt, is recognized for five  
3243 minutes.

3244 Mr. {Blunt.} Thank you, Chairman, for the time. Let me  
3245 ask-see what questions I can ask and which questions we will  
3246 submit later. The first question would be in 2007, the FCC  
3247 determined that a wireless service is not required to provide  
3248 another wireless carrier with roaming services if the second  
3249 carrier holds a wireless license of spectrum usage in the  
3250 same geographic location.

3251 Is there anything in this plan that changes that? And,  
3252 Mr. Copps, you were there in '07. If you want to answer  
3253 that.

3254 Mr. {Copps.} I think what we are trying to do is trying  
3255 to revisit that a little bit on the premise that roaming is  
3256 essential, I think, to competitive environment and looking at  
3257 the end-market exception that was put in place at that time  
3258 when several of the carriers were telling us this is, you  
3259 know, inhibit the small one, inhibiting their ability to be  
3260 able to connect and do business as they would like.

3261 So I think the Commission was well advised, and the  
3262 chairman can speak better to this, what is looking at, trying  
3263 to take another look at that and see what, if any, changes  
3264 need to be made at this point.

3265 Mr. {Blunt.} So, Chairman, your sense is there would be  
3266 some potential there, that this will reverse some of that  
3267 2007 structure?

3268 Mr. {Genachowski.} I wouldn't say that mostly because  
3269 that process, that proceeding hasn't happened yet. If I  
3270 remember correctly, the plan does identify roaming as an  
3271 issue whose resolution could affect the speed of deployment  
3272 and acceleration and competition in the mobile broadband  
3273 market and suggested it is something that the Commission  
3274 needs to look at.

3275 Mr. {Blunt.} Now the previous view was if you had a  
3276 license to serve the area already, you were required to  
3277 provide your own service. Mr. McDowell, do you have a view

3278 on that?

3279 Mr. {McDowell.} I think as a policy matter what we need  
3280 to encourage is buildout of your home region. So I think  
3281 what you are referring to is there was a concern in '07--I  
3282 was there too--that we wanted to make sure roaming wasn't  
3283 just a substitute for resale.

3284 If you had a license and weren't building out in your  
3285 own region, we wanted to provide a disincentive for that and  
3286 an incentive for you to build out your own network so that  
3287 you can become self-sufficient, so that the spectrum could be  
3288 used more efficiently and consumers could be better served.  
3289 So I think that has got to be a fundamental policy objective  
3290 for us is to encourage buildout in home region and therefore  
3291 everywhere.

3292 Mr. {Blunt.} Okay, thank you. Let us go to broadcast  
3293 TV for a minute. This committee in this Congress passed a  
3294 bill out where the FCC would create an inventory of all the  
3295 spectrum out there, how it is currently being used. That has  
3296 never been voted on by either the House or the Senate, and I  
3297 think this report calls for the need to find another 500  
3298 megahertz of spectrum.

3299 Do you think it would be helpful to analyze how the  
3300 spectrum is currently being used? And would you encourage  
3301 use to move forward and ask the FCC to find out how the

3302 spectrum is currently being used before you just go out and  
3303 try to find 500 megahertz of spectrum? Anybody can answer.

3304 Mr. {Genachowski.} Sure, I would be happy to tackle  
3305 that. The spectrum inventory bill is very important, and it  
3306 reflects the recognition of the importance of spectrum in  
3307 mobile to our economic landscape. Much is known already.  
3308 The demands on our mobile network, the constraints that we  
3309 are heading into are very clear based on the record.

3310 And of course the FCC has information about where  
3311 licensees are. The wireless industry in the course of our  
3312 proceeding on broadband came and suggested that we need 800  
3313 megahertz of spectrum to satisfy forthcoming mobile needs.  
3314 The staff at the FCC did work and felt the 500 megahertz was  
3315 a reasonable goal. There has been record development with  
3316 respect to broadcast spectrum and record development with  
3317 respect to the win/win idea that is in the plan.

3318 Of course, there is a lot more work to do, and we look  
3319 forward to working with the committee to find a sensible way  
3320 to unleash spectrum for economic activity to make sure the  
3321 broadcasters are treated fairly, that viewers are served, and  
3322 that there is a possibility to generate billions of dollars  
3323 of revenue through auctions that we do--

3324 Mr. {Blunt.} Okay, well I thought that this committee  
3325 was right when we encouraged that you be funded, allowed,

3326 directed to make that review, and I hope we do that. But if  
3327 we don't do that, what is the impact of over-the-air  
3328 broadcasting on any spectrum reallocation? I know we have  
3329 some areas all over the state that aren't served by the same  
3330 over-the-air broadcast they were before the digital  
3331 conversion.

3332           How much worse does that get as we begin to reallocate  
3333 spectrum, and, you know, we have lots of areas in America  
3334 that are still either you pay for the satellite or you have  
3335 over-the-air broadcasting or you don't have television.

3336           Mr. {Genachowski.} The goal of the proceeding would be  
3337 to respect the needs of viewers, especially those who still  
3338 get their TV signal over the air. The congestion issues that  
3339 we are concerned about are chiefly large market issues, and  
3340 we can make substantial progress for the country if, in a  
3341 small number of large markets, a small number of broadcasters  
3342 share spectrum. We can free up very significant amounts of  
3343 spectrum for our mobile broadband economy, generating auction  
3344 revenues.

3345           So I am confident that there is a win/win here. I think  
3346 the issues will be much less in rural areas because the  
3347 congestion issues on the mobile broadband side are less  
3348 intense.

3349           Mr. {Blunt.} Well, it could be though a lot of the

3350 unserved people that were served before the other conversion  
3351 are the people closest to the station, closest to the tower,  
3352 if you are on that higher number on the band. But I have  
3353 some other questions on the unserved and underserved and  
3354 other things, and we will submit those for your answers in  
3355 writing. Again thank all of you for being here today. Mr.  
3356 Chairman, thank you for your time.

3357 Mr. {Boucher.} Thank you very much, Mr. Blunt.  
3358 Gentlelady from the Virgin Islands, Ms. Christensen, is  
3359 recognized for five minutes.

3360 Mrs. {Christensen.} Thank you, Mr. Chairman, and again  
3361 welcome. My first question is hopefully just for the record,  
3362 Mr. Chairman. States means states and territories wherever  
3363 we see that in the plan?

3364 Mr. {Genachowski.} Yes.

3365 Mrs. {Christensen.} Good, okay. Thank you. Before  
3366 coming to Energy and Commerce, I was on Homeland Security.  
3367 So the issue of interoperability was and remains a big  
3368 challenge and one I am very concerned about.

3369 I have heard some concerns that the 10 megahertz of  
3370 broadband might be inadequate for public safety needs either  
3371 now or in the future. Listening to your prior comments, it  
3372 seems that you were pretty satisfied that you were meeting  
3373 the needs of public safety in this regard. So do you have

3374 concerns that there is not enough, or do you plan to expand  
3375 the spectrum later on?

3376 Mr. {Genachowski.} As I mentioned to Chairman Waxman,  
3377 my charge to the team at the FCC, which is led by a wonderful  
3378 30-year admiral, was to take a fresh look at public safety  
3379 mobile communications needs and recommend an overall plan  
3380 that would most quickly and effectively deliver on the 9/11  
3381 Commission recommendations.

3382 As Commissioner McDowell mentioned, there is 24  
3383 megahertz that has already been allocated. It is not being  
3384 used because there is no strategy to build the network. And  
3385 so this program, which includes several elements, is a plan  
3386 to get the network built, to act consistent with the  
3387 authority we have now to auction the 10 megahertz, referring  
3388 to the D block.

3389 I do have tremendous faith in our team and in the  
3390 commitment to delivering on the 9/11 Commission  
3391 recommendations.

3392 Mrs. {Christensen.} Thank you. Everyone feel the same  
3393 way? Okay. Commissioner Clyburn, when you came before us in  
3394 the initial hearing with the Commission, you talked a lot  
3395 about the concern about preserving diversity and local  
3396 programming as well as closing the gaps for women and  
3397 minorities. Do you feel that the plan provides enough

3398 capacity potential to meet those concerns?

3399 Ms. {Clyburn.} It provides some promise, but I remain  
3400 concerned on some fronts. The concern for me is when we talk  
3401 about, and I am not--I am for a voluntary spectrum  
3402 reallocation. But what the potential of that is that some of  
3403 these entities who may be financially strapped may be the  
3404 first to sell their space, which would possibly further  
3405 dilute the gains in the quest for diversity with the voices.

3406 But the frontier, when I look at the overall plan, I am  
3407 hopeful because it provides a whole host of opportunities  
3408 that some are named and some are not, you know, low-power  
3409 television, entertainment in other types of sourcing or  
3410 programming over the Internet. There are growing enterprises  
3411 and arches who exclusively want to stay in that space because  
3412 of the flexibility and the potential for keeping more of  
3413 their dollars.

3414 So while I am concerned on the other front, I am hopeful  
3415 that this space will be one that literally the sky is the  
3416 limit in terms of potential for diverse voices.

3417 Mrs. {Christensen.} And so would it be the role of the  
3418 FCC to do the outreach to make sure that these smaller  
3419 entities know what is available, or is it our role or CPC's  
3420 role or--

3421 Ms. {Clyburn.} I think it is very much a global effort.

3422 When I go out and speak, I say just that, the more positive  
3423 aspect. A young lady came up to me and said, you know, I am  
3424 in my senior year of college. You know what do I do? You  
3425 know I want to get into broadcasting, and I am a proponent of  
3426 in the meantime. In the meantime, you have a vehicle, a  
3427 relatively affordable vehicle through the Internet to promote  
3428 yourself, to produce yourself, and so I look at this as both  
3429 of an opportunity and a bridge to whatever comes next.

3430 Mrs. {Christensen.} Thank you. Let me just ask this  
3431 question. I know that preserving and stimulating competition  
3432 is a major part of the plan, but are there any new mandates  
3433 imposed on industry--and anybody can answer this--in the  
3434 broadband plan? And if so, what industries might have  
3435 mandates that might require additional investment?

3436 Mr. {Genachowski.} Well, the plan itself is not self-  
3437 executing. There are a number of ideas in the plan to  
3438 promote competition. I spoke earlier about the complaints  
3439 that we have heard at the Commission from small businesses  
3440 who want to move on to broadband but are dissatisfied with  
3441 the choice that they have and their prices. And we hear from  
3442 other competitors who have raised issues. And the plan  
3443 identifies a number of issues that require further work.

3444 Mrs. {Christensen.} Thank you. My time is up, Mr.  
3445 Chairman. I yield back whatever is left.

3446 Mr. {Boucher.} Thank you very much, Ms. Christensen.  
3447 The gentleman from Nebraska, Mr. Terry, is recognized for  
3448 five minutes.

3449 Mr. {Terry.} Thank you, Mr. Chairman. It has been  
3450 asked before, but I haven't asked it, as the old saying goes.  
3451 But I am going to ask it in a little bit different way  
3452 regarding the over-the-air TV spectrum. The plan suggests  
3453 the option of being able to give back or sell back--I am not  
3454 sure--that part of the spectrum. The second half of that is  
3455 does--if there are not enough station holders willing to give  
3456 back some of their spectrum, we have heard that you won't  
3457 just force it. But does the FCC even have authority to force  
3458 them to give back or the authority to take back some of that  
3459 spectrum?

3460 Mr. {Genachowski.} With respect to authority, the  
3461 authority that we don't have is to structure what we call the  
3462 incentive auction where with respect to any band, we have the  
3463 ability to ensure that any spectrum that is used that way,  
3464 that some of the auction proceeds benefit the license  
3465 holders.

3466 On the first question, again I would emphasize that both  
3467 that there is a real issue ahead of us for the country and  
3468 our ability to lead the world in mobile. We have all the  
3469 ingredients lining up with the incredible innovation that we

3470 are seeing, with the fact that we are moving quickly to 4G to  
3471 lead the world. And we would be happy to share with you the  
3472 data that shows the gap that we are going to face between  
3473 capacity--

3474 Mr. {Terry.} I am well aware. I am just wondering if  
3475 you have that authority or whether Congress would have to  
3476 give you that authority to grab back that spectrum if they  
3477 don't voluntarily offer it to you.

3478 Mr. {Genachowski.} My understanding is that the  
3479 authority that we lack is the incentive auction.

3480 Mr. {Terry.} So you think if it just we are going to  
3481 take that back, you have the authority to do that without  
3482 congressional--

3483 Mr. {Genachowski.} I think in general with respect to  
3484 licensees--

3485 Mr. {Terry.} Okay.

3486 Mr. {Genachowski.} --they are licensees of spectrum.

3487 Mr. {Terry.} Okay, which is also a follow-up question  
3488 about giving it back, whether you could buy it back. They  
3489 are leasing it. I don't know if they would have the power to  
3490 resell that anyway without the FCC allowing that or Congress.

3491 Just overall, I like the plan in part, and, of course,  
3492 we are always going to disagree with some of the details out  
3493 here. But one of them, I view this plan as mostly an

3494 infrastructure, but a lot of the opening statements was on  
3495 tape rate. And I think that is an interesting discussion of  
3496 access versus acceptance. And so I want to talk about what  
3497 part of the plan do you think is important on the tape rate,  
3498 which then dovetails into the buzzword affordable. And I  
3499 think that is a term of art not necessarily science. And so  
3500 are there mandates in here on pricing, or how would you make  
3501 this ``affordable'' so more people take it once we get the  
3502 infrastructure and access out there? And I will open that up  
3503 to any of them. Chairman, you have a good job of burdening  
3504 and shouldering most of the answers and questions.

3505 Mr. {Copps.} I will get us going quickly.

3506 Mr. {Terry.} We can go to Michael. He needs to be  
3507 involved more.

3508 Mr. {Copps.} Well, I think, number one, inferring that  
3509 there is a competitive environment out there that helps drive  
3510 down consumer costs is one way you get this stuff out and  
3511 make it affordable. I think digital literacy is important so  
3512 people understand the importance of this to their individual  
3513 lives and to the future of the Nation.

3514 Going back for just a second to that previous question  
3515 you asked about, you know, licenses all expire. So, you  
3516 know, we are not necessarily talking about going in and  
3517 grabbing. I have always been a believer in kind of use-it-

3518 or-lose-it, and if you are in the broadcast spectrum, that  
3519 involves serving the public interest. So my advice to the  
3520 broadcast industry, while we are cogitating all of this and  
3521 doing inventories and all of that is to make sure that that  
3522 spectrum is being used.

3523 Mr. {Terry.} Mr. Copps, I hate to be rude to you, but I  
3524 only have 23 seconds left, and I want to follow up on the  
3525 affordability and how we are going to do that. And I thought  
3526 the E-rate was the answer to that question. So in this  
3527 discussion of affordability and take within urban cores and  
3528 rural areas, has E-rate not been successful?

3529 Mr. {Copps.} E-rate has been a stunningly successful  
3530 program, I do believe, and I think it is--you are talking  
3531 about digital literacy and all of that. And certainly E-rate  
3532 is connected to that, but just from the standpoint of  
3533 connecting kids to the 21st century, it has been an  
3534 outstanding success.

3535 Mr. {Boucher.} Thank you very much, Mr. Terry. The  
3536 gentleman from Illinois, Mr. Rush, is recognized for five  
3537 minutes.

3538 Mr. {Rush.} I want to thank you, Mr. Chairman. This  
3539 has been an excellent hearing. Chairman Genachowski and the  
3540 other Commissioners, you may be aware of the joint efforts by  
3541 this subcommittee and the subcommittee that I chair to draft

3542 a federal privacy legislation. In recent days, much has been  
3543 made about the plan's proposal to commission future spectrum  
3544 options for broadband service around advertising business  
3545 models.

3546 If the FCC imposes conditions on spectrum and the 700  
3547 megahertz auctions require free broadband access for people  
3548 who can't afford it, then one probable way to finance the  
3549 purchase price would be through advertising-based services.  
3550 The plan offers this as a proposed recommendation. However  
3551 if I am veteran to auction and I know when to follow rules of  
3552 the road with respect to protecting consumer privacy, then I  
3553 might not be inclined to participate or to bid as much as  
3554 might otherwise. This especially puts the cart before the  
3555 horse and could open the doors to another set of unsuccessful  
3556 auctions. With the passage of privacy legislation, what  
3557 impact do you think that this passage will have on your  
3558 auction designs for the 700 megahertz?

3559 Mr. {Genachowski.} The privacy issue is a very  
3560 important one is a very important one, and it is discussed in  
3561 the plan. It is one of the big looming topics that the plan  
3562 does say needs to be addressed to give consumers and  
3563 businesses the confidence they need to participate in a  
3564 broadband future.

3565 It is not--I think we are glad that there is work

3566 proceeding on legislation, and I think, if I understand your  
3567 point, it is that clarity around the rules of the road on  
3568 privacy would have real benefits to the business community  
3569 and individuals as the broadband future rolls out. And I  
3570 would agree with that.

3571 Mr. {Rush.} And on to another matter. As you know, one  
3572 of my observations is that the broadband plan places too much  
3573 emphasis on the demand and the adoption side without giving  
3574 corresponding weight to factors that will stimulate entry by  
3575 small businesses, including by minority-owned and  
3576 entrepreneurs. Small businesses are a critical part of the  
3577 equation, and they can help to offset the huge number of  
3578 layoffs that we witness from large carriers.

3579 And I wanted to ask you, Chairman Genachowski and Mr.  
3580 Copps. Mr. Copps, I know minority ownership has been a real  
3581 area of concern for you over the years, and how do you plan  
3582 on directing this stunningly silent omission in the National  
3583 Broadband Plan?

3584 Mr. {Genachowski.} If I may, sir, there is complete  
3585 agreement on the importance of small businesses and the  
3586 challenges and opportunities around broadband. We held three  
3587 workshops looking at the small business issues, and there is  
3588 a discussion in the plan. I would be happy to follow up with  
3589 you and make sure, but with respect to training, information,

3590 digital literacy for small businesses, there are  
3591 recommendations in the plan with respect to small business  
3592 administration and joint activities, extension programs, to  
3593 make sure that small businesses get the information that they  
3594 need. There are several recommendations on that.

3595         And then with respect to the affordability issue that we  
3596 heard from small businesses, there are recommendations with  
3597 respect to moving forward on competition issues to get more  
3598 competition to help reduce the price. So I hope the plan is  
3599 not confusing on that, but I--there is complete agreement on  
3600 the importance of small businesses in all ways that you said.  
3601 And I hope that we can follow up and make sure that we are  
3602 being as clear as we should be.

3603         Mr. {Copp.} For my part, I commend the emphasis of the  
3604 plan on small business. Ever since I was assistant secretary  
3605 of commerce in previous administration, Clinton  
3606 Administration, I have dealt a lot with small and medium-  
3607 sized enterprise. They are the locomotive of the economy.  
3608 They are the job creators. So getting broadband out there  
3609 that can facilitate their business is an important priority.

3610         Also is making sure the small business is a participant  
3611 in the building out of this infrastructure and gets its share  
3612 of activity as we build out.

3613         Mr. {Rush.} Yeah, I only have--I guess my time is

3614 expired.

3615           Mr. {Boucher.} Thank you very much, Mr. Rush. The  
3616 gentleman from Vermont, Mr. Welch, is recognized for five  
3617 minutes.

3618           Mr. {Welch.} Thank you very much. I had some of the  
3619 same concerns that Mr. Blunt had, and I think that you all  
3620 have addressed those questions. But obviously on the issue  
3621 of this spectrum, we can't afford to ignore the incredible  
3622 opportunity that it has to connect folks in rural and low-  
3623 income communities. And I think all of us represent some  
3624 part of our district, most of us anyway, that are rural and  
3625 low income. And that is certainly the case in Vermont.

3626           You have heard this, and you understand it, but it is  
3627 important for me to say it so that folks back in Vermont  
3628 appreciate that we are on the job here about the absolute  
3629 necessity of treating this in many ways like electricity. So  
3630 that that opportunity to create jobs comes to the rural  
3631 communities, and I appreciate your concern on that.

3632           I wanted to ask you about this. The Commission  
3633 obviously recognizes and understands the problems in the  
3634 wholesale market, particularly with high speed special access  
3635 connections. In Vermont, we have established, with the help  
3636 of the governor and the legislature, Republican and Democrat,  
3637 the Vermont Telecommunications Authority. And it has

3638 identified the high cost of wireless back haul as one of the  
3639 most significant potential barriers to our success in Vermont  
3640 in getting wireless service deployed in rural Vermont.

3641         So on the one hand, we are committed to the goal. On  
3642 the other hand, we have a practical impediment that really  
3643 does require leadership and guidance from you. And I just  
3644 want to kind of go down the line a little bit about your  
3645 views on that. Why don't we start at this end with Ms.  
3646 Atwell Baker, who thank you for coming into my office and  
3647 saying hello.

3648         Ms. {Baker.} Absolutely. It was a great visit. I am  
3649 glad that we had the time. Special access is an important  
3650 input into services including wireless and the back haul is  
3651 certainly important. It is something we are taking a look  
3652 at. We gathered the data. We are in the process of doing  
3653 that now to look at what parts need to be regulated, what  
3654 parts need to be unregulated. So hopefully we will be able  
3655 to do this expeditiously.

3656         Mr. {Welch.} Okay, thank you. Ms. Clyburn.

3657         Ms. {Clyburn.} Yes, sir. As it relates to back haul, I  
3658 recognize the importance of that, and recognize that it will  
3659 increase competitive options and make the cost of deployment  
3660 lower. So I am looking forward to engaging more fully with  
3661 that and to get rid of the some of the bottlenecks that

3662 cause.

3663           Mr. {Welch.} Let me just elaborate on this, Mr.  
3664 McDowell, when you do it. You know in Vermont we have been  
3665 trying to encourage some local generation of power, and then  
3666 local generators have to use the wires and poles that were  
3667 there beforehand in a regulated utility. And it is a  
3668 practical challenge trying to figure out what is fair  
3669 compensation on an asset that has been fully depreciated.  
3670 And to some extent, these back haul charges remind me of that  
3671 whole battle that we went through.

3672           And there is the property right obviously, the owner on  
3673 the one hand. On the other, there is the acknowledged and  
3674 urgent necessity of not reinventing the wheel in providing  
3675 access to an infrastructure so that all of the economy can  
3676 prosper.

3677           And do you have any thoughts on how to thread that  
3678 needle?

3679           Mr. {McDowell.} Very perceptive question actually. So  
3680 when we talk about lofty and laudable goals in broadband,  
3681 sometimes it does come down to the nitty-gritty of things  
3682 like pole attachments and access to rights-of-way--

3683           Mr. {Welch.} Well that is what it is about.

3684           Mr. {McDowell.} --and special access absolutely. So  
3685 the plan does tee up those issues. I don't want to steal the

3686 chairman's thunder, but when or what we might be doing going  
3687 forward on pole attachments. I will let him speak to that  
3688 and things of that nature with special access. For about  
3689 three years now, I have been calling for a cell fight by cell  
3690 fight, building by building mapping with special access. The  
3691 last time the Commission looked at the regulations was 1998.

3692 I want to commend the chairman for issuing a public  
3693 notice to get into the next stage where we can actually make  
3694 a very informed decision as to what to do next.

3695 Mr. {Welch.} Okay, great. Mr. Copps, thank you.

3696 Mr. {Copps.} Special access, I think it is time to do  
3697 this. I am pleased that the broadband plan tees this up. We  
3698 can't take forever on this. This has been a problem for a  
3699 long time. The facts that we have leads me to believe that  
3700 maybe some people are paying a lot more for this kind of  
3701 access than they should be. If that is true, I don't think  
3702 we should take forever to resolve that. I think we need to  
3703 get to the essential core of data we need and then go ahead  
3704 and act.

3705 Mr. {Welch.} Okay, thank you. Mr. Genachowski.

3706 Mr. {Genachowski.} I agree with each of my colleagues.  
3707 I think it is an example of the kind of issue, sort of a  
3708 blood-and-guts issue where government can play a positive  
3709 role in promoting investment, promoting competition, and it

3710 has to roll up its sleeves with the data, tackle the rules.  
3711 And so I think it is an opportunity in this issue and others  
3712 for a very healthy discussion and debate that is focused on  
3713 the barriers in the marketplace.

3714 Mr. {Welch.} Okay, thank you. I see my time has  
3715 expired, Mr. Chairman. Thank you, and I thank the  
3716 Commission.

3717 Mr. {Boucher.} Thank you very much, Mr. Welch.  
3718 Chairman Dingell is on his way, and we expect him to arrive  
3719 momentarily for his round of questions. Right on time.  
3720 Thank you, Chairman Dingell. You are recognized for five  
3721 minutes.

3722 Mr. {Dingell.} There will probably be a lot of yes-or-  
3723 no questions, and I hope that our panel will be kind to me  
3724 over this matter. Mr. Chairman Genachowski, Webster's  
3725 Dictionary defines the word voluntary as being ``done, made,  
3726 brought about, undertaken et cetera by one's own accord or by  
3727 free choice.'' Is that the definition that would be applied  
3728 to the word voluntary or voluntarily in the recommendations  
3729 of the Commission's broadband plan?

3730 Mr. {Genachowski.} Yes.

3731 Mr. {Dingell.} Now, so I assume that would apply then  
3732 to the questions where they are talking about voluntary  
3733 channel sharing and motivating existing licenses to

3734 voluntarily clear the spectrum. Am I right?

3735 Mr. {Genachowski.} Yes.

3736 Mr. {Dingell.} Mr. Chairman, the National Broadband  
3737 Plan states if the FCC does not receive authorization to  
3738 conduct incentive auctions or if the incentive auctions do  
3739 not yield a significant amount of spectrum, the FCC should  
3740 pursue other mechanisms. That is a quote. Now, are these  
3741 other mechanisms going to be voluntary? Yes or no?

3742 Mr. {Genachowski.} I think that language speaks for  
3743 itself.

3744 Mr. {Dingell.} I am sorry?

3745 Mr. {Genachowski.} I think that language speaks for  
3746 itself. The other mechanisms would be determined in the  
3747 future.

3748 Mr. {Dingell.} All right, if these are not voluntary,  
3749 how would they then be accomplished?

3750 Mr. {Genachowski.} Sir, that would be speculation. I  
3751 am focused on a near term win-win that works for broadcasters  
3752 and that is done on a voluntary basis.

3753 Mr. {Dingell.} Well, you understand there is a concern  
3754 here because everybody wants to know what these is going to  
3755 constitute. Now, would we assume then that these other  
3756 mechanisms will be 100 percent voluntary or involuntary or  
3757 what?

3758 Mr. {Genachowski.} I would be speculating to talk about  
3759 what would happen if we face a spectrum crisis in the country  
3760 and--

3761 Mr. {Dingell.} I hope you and the Commission understand  
3762 that this is a point of no small importance. Now, to all of  
3763 this witnesses, and this again is a yes-or-no question. And,  
3764 ladies and gentlemen, I apologize if this is discourteous.  
3765 Does the Commission possess the authority, whether under the  
3766 Communications Act of 1934, the Telecommunications Act of 196  
3767 or otherwise, with which to require broadband networks to  
3768 unbundle access? Starting with you, Mr. Chairman, please.  
3769 Yes or no.

3770 Mr. {Genachowski.} Well, that is a good--I would like  
3771 to be advised by counsel on that. We have been focused on  
3772 broadband policies and--

3773 Mr. {Dingell.} I will ask then that you submit that for  
3774 the record.

3775 Mr. {Genachowski.} I will, sir.

3776 Mr. {Dingell.} Mr. Copps?

3777 Mr. {Copps.} I would say yes.

3778 Mr. {Dingell.} Well--

3779 Mr. {McDowell.} I would say no.

3780 Mr. {Dingell.} Commissioner?

3781 Ms. {Clyburn.} I would say I would submit that later.

3782 Mr. {Dingell.} And the last of our Commissioners?

3783 Ms. {Baker.} No.

3784 Mr. {Dingell.} Now, does the Commission believe

3785 unbundling network access will have a chilling effect on

3786 further investments to expand broadband infrastructure?

3787 Again with apologies, yes or no.

3788 Mr. {Genachowski.} I don't know that it lends itself to

3789 a yes or no because unbundling means so many different things

3790 to different people.

3791 Mr. {Dingell.} Commissioner Copps?

3792 Mr. {Copps.} I think I would give the same answer, and

3793 a shorter answer would be not necessarily.

3794 Mr. {Dingell.} Commissioner?

3795 Mr. {McDowell.} If history is our guide, yes.

3796 Mr. {Dingell.} Commissioner?

3797 Ms. {Clyburn.} I echo Ms. Copps' answer.

3798 Mr. {Dingell.} Commissioner?

3799 Ms. {Baker.} Chilling, yes.

3800 Mr. {Dingell.} Again to all witnesses, does the

3801 Commission eventually intend to require unbundled access to

3802 broadband networks? Yes or no?

3803 Mr. {Genachowski.} Again I think the plan speaks for

3804 itself, and the plan does not speak about unbundled network

3805 elements.

3806 Mr. {Dingell.} Commissioner Copps?

3807 Mr. {Copps.} I can't predict what the Commission  
3808 intends to do.

3809 Mr. {McDowell.} I can't predict what the Commissioner  
3810 will do either.

3811 Ms. {Clyburn.} I am not sure at this time. Thank you.

3812 Ms. {Baker.} I hope not.

3813 Mr. {Dingell.} Now, my time is running out here. Mr.  
3814 Chairman, the National Broadband Plan mentions wireless  
3815 communication services as a source of new spectrum. On  
3816 February 16, 2010, I sent a letter to the Commission  
3817 highlighting my concern that the opening of the spectrum for  
3818 mobile broadband services may result in interference with  
3819 satellite radio signals. Can you unequivocally assure me  
3820 that this will not be the case? Yes or no?

3821 Mr. {Genachowski.} If the staff in the agency says  
3822 there is not interference, then there won't be interference.

3823 Mr. {Dingell.} I didn't hear the answer, sir.

3824 Mr. {Genachowski.} Sorry. If the engineers at the FCC  
3825 say there won't be interference, then I believe there won't  
3826 be interference.

3827 Mr. {Dingell.} Mr. Chairman, will the Commission  
3828 provide advanced notice of the WCS rules, publish them, and  
3829 allow for comment prior to their implementation? Yes or no?

3830 Mr. {Genachowski.} I believe I don't see any reason why  
3831 not. That is what we always do.

3832 Mr. {Dingell.} Ladies and gentlemen, thank you. My  
3833 time is up. You have been very kind, Mr. Chairman. I  
3834 reiterate my request for sending a letter asking further  
3835 questions of the Commission and ask that it be inserted in  
3836 the record.

3837 Mr. {Boucher.} Thank you very much, Chairman Dingell.  
3838 And the record of this hearing will remain open until such  
3839 time as a letter has been sent to you containing questions  
3840 that various members of the committee may decide to ask  
3841 beyond the context of today's hearing and until we have  
3842 received your response to that letter. So when you receive  
3843 it, please be as prompt as you can.

3844 We thank you for your attendance here today and for  
3845 sharing your views with us extensively. We have been here  
3846 now for about three and a half hours, and we have certainly  
3847 been enlightened by the information you have provided, and  
3848 hopefully you have been somewhat enlightened by the views we  
3849 have expressed as well.

3850 The gentleman from Florida, Mr. Stearns, is recognized  
3851 for unanimous consent request.

3852 Mr. {Stearns.} Thank you for your forbearance, Mr.  
3853 Chairman. I ask unanimous consent to enter into a record

3854 just for the history a letter from 2007 from this committee,  
3855 a bipartisan letter, to the FCC about the D block. Chairman  
3856 Genachowski, just let me commend the staff for their public  
3857 safety proposal. The 16 of us from both sides of the aisle  
3858 sent a letter to your predecessor recommending a very similar  
3859 approach. And I am optimistic that Congress will consider  
3860 legislation authorizing first responders to use auction  
3861 revenues to build a public safety network. And if possible,  
3862 your public safety and wireless staff could provide input to  
3863 help us draft that, that would be appreciated. Thank you,  
3864 Mr. Chairman.

3865       Mr. {Boucher.} Thank you very much, Mr. Stearns, for  
3866 that rather lengthy unanimous consent request. Without  
3867 objection. Well, thanks to the Commission. This hearing is  
3868 adjourned.

3869       [Whereupon, at 1:40 p.m., the Subcommittee was  
3870 adjourned.]