

STATEMENT OF FCC CHAIRMAN JULIUS GENACHOWSKI
HEARING ON THE OVERSIGHT OF THE FEDERAL COMMUNICATIONS
COMMISSION
BEFORE THE SUBCOMMITTEE ON COMMUNICATIONS AND
TECHNOLOGY

JULY 10, 2012

Chairman Walden, Ranking Member Eshoo, members of the Subcommittee, thank you for the opportunity to be here today.

I'm pleased to be joined by a full complement of Commissioners, including my newest colleagues – Commissioners Rosenworcel and Pai. I'm confident that members of this Subcommittee will find them to be excellent additions to the Commission, as I have.

This is my seventh time testifying before this Subcommittee. And I've been fortunate to meet with many of you individually.

So by now, most of you know that that my primary focus as FCC Chairman has been promoting innovation, investment, competition, and consumer empowerment in the ICT sector. We have focused the agency on maximizing the benefits of broadband communications, and on helping harness wired and wireless broadband to grow our economy, create jobs, enhance U.S. competitiveness, and foster improvements in areas like education, health care, and public safety.

I'd like to provide a brief overview of some recent developments since I last testified before you five months ago.

First, we continue to receive good news for the U.S. from across the broadband sector. The U.S. has regained global leadership, particularly in mobile. The U.S. leads the world in 3G subscribers by a wide margin, and we are leading the world in deploying 4G mobile broadband at scale with 64 percent of global LTE subscribers, making the U.S. the world's testbed for 4G services and applications.

The apps economy continues to grow, and U.S. firms and developers continue to lead the way. In the last three years, the percentage of smartphones globally with U.S. operating systems has grown from 25 percent to more than 80 percent. Since 2009, the percentage of Americans owning tablets or eReaders has jumped from 2 percent to 29 percent. And in the last three years we've gone from less than 20 percent of our population living in areas with broadband infrastructure capable of delivering 100+ megabits per second to approximately 80 percent, putting us at or near the top of the world.

Of course, in this fast-moving sector there are many challenges ahead, and our global competitors remain focused on these broadband opportunities.

So at the FCC, we continue to work to help drive our broadband economy.

We continue our efforts to spur broadband buildout, including by removing barriers to deployment.

Just last month, the President issued an Executive Order implementing recommendations of the FCC's National Broadband Plan, the agency's Technological Advisory Council, and some members of this Committee. The Executive Order took steps to ease access to federal roads, lands and buildings for broadband infrastructure. It also directed the Department of Transportation to develop "Dig Once" policies so that carriers can deploy broadband when roads are under construction, which can reduce costs of broadband deployment by up to 90 percent.

As part of our Mobile Action Plan, we've taken several recent actions to spur mobile innovation and investment.

In March, we launched a rulemaking on a proposal to remove barriers to flexible spectrum use in the S-band so that a significant amount of spectrum can be made available for terrestrial mobile broadband use. We are close to completing our work to free up 25 MHz of spectrum in the WCS band

In May, we removed outdated rules on spectrum use in the 800 MHz band, which will help accelerate the rollout of LTE. And in August I expect that we will continue our ongoing efforts to remove unnecessary rules hindering the deployment of wireless backhaul.

We're making progress on other pieces of our Mobile Action Plan. The Commission is working with NTIA to facilitate industry tests of LTE sharing in the 1755-1780 MHz band, which could allow us to make available valuable paired spectrum in the next three years.

We are cognizant that the recent legislation also requires us to auction other spectrum bands, such as the AWS-2 H Block, and we are taking necessary steps to ensure we meet the objectives set forth in the law.

To promote mobile health innovation that will improve care and lower costs, the FCC recently adopted an order dedicating spectrum for medical monitoring networks. It required us to drive solutions to interference issues, and today the U.S. is the first country in the world to enable this technology.

We're also hard at work designing the world's first incentive auctions -- a complex task affecting major parts of our economy and involving many challenging questions of economics and engineering. I expect the Commission will put forward proposals by the fall, and seek broad public comment.

We're also on track to fulfill our obligations under the recent law that relate to the new national mobile broadband public safety network. The Interoperability Board required by the Act has delivered its recommendations, and my colleagues and I have voted to transmit those recommendations to NTIA.

We also continue our work to drive Next-Gen 911 and, in general, to harness communications technology for public safety. We are concerned about 911 and other communications outages during the recent storm in the D.C. area. This is something we are taking seriously.

We're moving forward with implementation of our unanimously approved, once-in-a-generation, fiscally responsible overhaul of the Universal Service Fund (USF). We recently announced the availability of the first rounds of funding under the Connect America Fund (CAF) and Mobility Fund. Just yesterday, Frontier announced that it will be deploying broadband to approximately 200,000 unserved Americans as part of CAF Phase I.

The application window also recently opened for the first phase of the Mobility Fund, where we're pioneering the use of a market-based reverse auction to get the

most impact for every universal service dollar. These efforts are made possible by the increased fiscal responsibility and accountability throughout USF. And in the Lifeline program, which we comprehensively overhauled on a bipartisan basis earlier this year to eliminate waste, fraud, and abuse and to modernize the program for the 21st century, we've saved more than \$50 million by scrubbing over 400,000 duplicate subscriptions from the rolls and are on track to meet our \$200 million savings target for this year.

The Commission is also helping to tackle threats to our broadband economy.

As the result of an FCC-led process on cybersecurity, ISPs serving 90 percent of all U.S. residential broadband subscribers have committed to adopting voluntary, concrete measures to combat three major threats: botnets, IP route hijacking and domain name fraud.

Working with the nation's police chiefs, we reached a voluntary agreement with the major mobile carriers to create a database of stolen phones, which will help crack down on the growing problem of smartphone theft.

And I continue to speak both publicly and privately with my international counterparts about the importance of preserving the multistakeholder model of international Internet governance. I'd like to commend this Committee for its bipartisan resolution re-affirming the United States' unequivocal support for the successful multistakeholder model.

On top of all of these efforts, we continue working to make the agency more open, efficient, and effective. I have previously reported on the many concrete steps we have taken to reduce backlogs and speed decisions. I am pleased to report today that over the past six months we have made significant reductions in our backlog, including a more than 20 percent reduction in items pending more than six months in the Wireline Bureau, and an across the board 20 percent reduction in license applications and renewals pending more than six months. We have also cut the average number of days required to review routine wireless transactions in 2012 by more than half.

I appreciate the opportunity to be here today. I look forward to continuing to work with this Committee to identify other opportunities to unleash communications technologies to benefit our economy and the American people.

Thank you.