

Remarks of Commissioner Deborah Taylor Tate  
“Convergence and Connectivity: Bringing Broadband to the People”

Global Forum 2007  
“Global Convergence 2.0: Integration and Innovation”

As Prepared

Thank you, Miriam, for the opportunity to be here at this important conference on convergence and innovation. It’s a pleasure to be in Venice, the “City of Bridges” and a city that for centuries was a bridge linking Western Europe with the Byzantine Empire and the Islamic World. This city’s famous citizen, Marco Polo, knew something about convergence, as he helped link very different worlds in commerce and trade, which generated wealth that Venice used to finance great achievements in art, architecture, literature, and music.

The schedule worked perfectly, and after this Global Forum I will be on my way to Geneva for final negotiations at the World Radio Conference, discussing issues such as the spectrum allocation for 3G and 4G services. The rules adopted there will allow new services to enter the market and will also protect incumbent services from interference, and they are coordinated by countries from around the world. Again, reiterating what a converged and connected world we now inhabit.

I congratulate you and the Global Forum for arranging these continuing dialogues. As I meet with my counterparts from all over the world, I am reminded that our countries share so many issues. In the past month, I have had the opportunity to interact with colleagues like Chairman Shehadi of the Lebanon Telecommunications Authority; Vice Minister Xi of the Chinese Ministry of Information Industry; Anatel and the Ministry of

Communications in Brazil; and Professor Alexandridis, President of Greece's Hellenic Telecom & Post Commission. In our conversations, both official and personal, we share themes of developing our economies in an increasingly competitive and globally interconnected environment, and adopting policies that incentivize and encourage the development of new technologies. In the U.S., for example, we are committed to the DTV transition, which is making 100 megahertz of spectrum in the valuable 700 MHz band available for new and innovative uses that hold much promise for devices, for providers, and most importantly, for consumers and our public safety first responders who with each national disaster realize the limitations of our present system and the need for interoperability.

It is truly appropriate that this year's Global Forum discusses innovation and convergence in the same context. Innovators constantly engage in what the economist Joseph Schumpeter called "creative destruction" – destroying entrenched business models and technologies through some innovative vehicle to create value – whether goods or service – for consumers. At the same time, certain technologies are converging, allowing us to do more things with the same wire or radio waves, or with the same device – whether communication with family, sharing in-depth research with a colleague halfway around the world, or for entertainment, such as a movie theater that now resides in the palm of your hand, or a mobile communications device that is a personal banking institution.

Several of the implications of disruptive technology are of particular importance to me personally, and I am spending a lot of time in the U.S. and abroad discussing these issues. They include making broadband service available to more of our citizens, making

access to the Internet safe for our children, and protecting goods and services from piracy.

Connecting to the Internet at broadband speeds means connecting to the world. The Internet can, with the click of a mouse, take our children on an educational adventure – to the Louvre or the Library of Congress, on an exploration of the Great Barrier Reef or the Great Wall of China. It can help promote civic participation by adults, and access to healthcare for families. Access to the Internet at broadband speeds can increase workers' productivity, which makes us all wealthier – workers, firms, and societies.

The market to provide broadband service is changing every day, due to endless innovations in communications technology by different types of providers. This makes it all the more important for those of us in government to practice regulatory humility and not assume we can pick the best technology or service. In the U.S., we have opted for a light regulatory touch for broadband service provided over cable systems, telephone lines, power lines, and wireless platforms, which helps ensure what we refer to as a level playing field – or equanimity of regulation – among competing providers, no matter the technology or business model.

Each platform competes in unique ways. For example, telephone companies and cable companies seek to offer services – wireline voice, wireless voice, video, and high-speed Internet access – with triple-plays and quadruple-plays that include a broadband component. Phone companies need to add multi-channel video to compete with cable, and they are doing so – AT&T with U-verse and Verizon with FiOS. Cable companies need to add voice service to compete with phone companies, and about 90 million U.S.

households can now get phone service from their cable provider. As these providers build bigger pipes, access to high-speed Internet service grows even faster.

Using wireless transmissions, satellite service providers offer broadband services and, increasingly, so do terrestrial wireless service providers. In the U.S., we estimated there were about 12 million wireless broadband connections last year, counting satellite and mobile devices, and I hope we will observe an even greater increase for 2007.

I find the convergence of wireless technologies to be especially exciting in the U.S., where our technology-neutral approach to policy has allowed CDMA and GSM to compete head-on. This competition has produced dramatic results, with many wireless providers employing a quarter million people and generating annual industry revenues well over \$100 billion. Most notably from this competition, there are over 240 million mobile subscribers in the U.S. who use over two trillion – that’s with a “T” not a “B” – minutes every year. As these mobile technologies compete to offer Internet access, with, for example, EDGE and EV-DO, we see a convergence in which more functions – such as authentication and network security and quality of service – can be handled at the network level. This will make interoperability easier, lower costs, and facilitate improvements to network design.

Much has been written about WiMax, from the potential for another “last mile” broadband connection to the home, to fast connections that may reach 20, or 50, or even 75 mbps. Two providers, Sprint-Nextel and ClearWire, have committed to building a WiMax network sufficient to cover 100 million Americans by the end of 2008. Given the departure of the Sprint-Nextel CEO, we are awaiting updates regarding the timeline and continued commitment to the incredible advancement and possibly 3<sup>rd</sup> pipe for American

consumers. And let's not forget WiFi, the technology of choice for coffee shops and community centers around the world. Best of all, it does not matter which technology I am using or which technology you are using in this converging world; we can still communicate and connect in cyberspace.

I also would like to highlight another type of convergence today, and that is a convergence of interests – public, private, global, and local – dedicated to providing greater access to broadband communications. This convergence is leading to new thinking.

In those places where there is no broadband service, this new thinking moves beyond government simply writing a check to a non-profit group to promote service or issuing requirements that service providers expand into particular areas. Rather, one of the most innovative and effective solutions in the United States has been a public/private partnership known as Connected Nation. This non-profit group works with governments, communities, businesses, and service providers to identify supply and demand conditions and tailor programs that work. Connected Nation develops maps showing areas in which broadband services are available and where they are not, outlines ways businesses are using broadband services, identifies barriers to consumer adoption, and helps develop plans for broadband expansion. In the State of Kentucky, a state in which 43 percent of the population lives in rural areas and that is approximately the size of South Korea, Connected Nation's project has had such success that it expects 100 percent broadband coverage of the state by the end of this year.

Most public policy issues are never solved entirely by the government. That is why I generally believe in market-based solutions and in creative ways, like a public

private partnership, to both identify precisely the universe of the problem and attempt through consensus and cooperation, to bring all the forces and capabilities together and come up with solutions that generate real results.

I also want to briefly address an issue that more and more leaders are beginning to recognize – the potential dangers of the Internet to our children. Just as the Internet can take our children to the Louvre or the Library of Congress, so can it take them to the back alleys of abuse and sexual exploitation. In fact, one in seven youth between the ages of 10 and 17 has been sexually solicited online. Parents need to be just as aware of the dangers in their online world as they are in their offline one.

The good news is that parents are becoming more aware and they are getting more involved. About two-thirds of parents report that they have checked up on their child after the child has been online. Even more say they have rules about where their children can go while on the Internet.

Industry also must get involved, and many companies have made important efforts, including starting education and outreach campaigns to teach parents about the tools that are available to protect their kids online. I have spoken with Microsoft, Google, CTIA, and some of the largest telecoms companies about this critical issue, and I encourage others to do the same. And let me be clear. This is not about censorship. It is about illegal activities – child solicitation and worse – that are criminal. Our talented law enforcement officials have addressed financial fraud and identity theft and, increasingly, are applying this expertise to child protection. I welcome and encourage these efforts.

Finally, a real world example of disruptive technologies that is near to my heart is the very real problem of piracy. While amazing technologies have not only enhanced the

ability to distribute and share more music and video that even before, it has also allowed pirating and counterfeiting of great art and other works. In the U.S., piracy and counterfeiting cost the economy between \$200 and \$250 billion annually across all industries – from movies and music to software, auto parts, and pharmaceuticals. Ask Disney or Ralph Lauren what is their number one issue and it's the same: piracy. Nor is this just an American Malady. It is affecting your designers, artists, and cultural gifts to the world. Just as we would not allow an individual to walk in and steal a painting from the Gallerie dell'Accademia, we cannot allow this to continue unchecked.

When I visited Brazil, I brought country music cds as gifts and I also said this gift is a request for you to do all you can as leaders to stop the 1.3 billion illegal downloads in Brazil each year that are affecting musicians, writers, artists and all those in the industries that create these great works of art. Just as I have asked for help from the brilliant creative minds in software giants in the U.S., I ask for your help there today as well.

In closing, we should remember that technology speaks a language of peace, as does commerce, a lesson learned seven centuries ago by Marco Polo. This language is understood across cultures and respected for its tremendous ability to connect us in new ways – from e-commerce, e-government and emergency alerts, to access to educational and healthcare opportunities and the “virtual” jobs of the future. But ensuring that the advances in technology continue – and that they serve all of use, especially our children – requires a global dialogue in this shared language. I look forward to staying connected with many of you as we work together to address the exciting challenges ahead.