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**GLOBAL FORUM 2005  
OPENING PANEL REMARKS: THE IMPACT OF CONVERGENCE**

**BRUSSELS, BELGIUM  
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- **THANK YOU, SENATOR LAFITTE, FOR THAT KIND INTRODUCTION. I AM DELIGHTED TO BE HERE TO PARTICIPATE IN WHAT I KNOW FROM EXPERIENCE WILL BE A DIVERSE AND STIMULATING DISCUSSION OVER THE NEXT TWO DAYS.**
- **I PLEASED TO SHARE WITH YOU A PERSPECTIVE OF THE U.S. FEDERAL COMMUNICATIONS COMMISSION (FCC) ON THE ISSUE OF TECHNOLOGICAL CONVERGENCE AND ITS IMPACT ON REGULATION.**

**CHALLENGE FOR REGULATORS**

- **THERE IS NO DOUBT THAT REGULATORS TODAY FACE COMMON POLICY CHALLENGES. ADVANCES IN TECHNOLOGY ARE LEADING TO A CONVERGENCE OF MULTIPLE PLATFORMS COMPETING IN THE MARKET. THE DEVELOPMENT OF “*INTERMODAL COMPETITION*” IS FUNDAMENTALLY CHANGING THE WAY THAT BOTH CARRIERS AND THEIR CUSTOMERS USE COMMUNICATIONS NETWORK AND SERVICES. TECHNOLOGICAL CHANGE--POSITIVE THOUGH IT MAY BE FOR CARRIERS AND CUSTOMERS--PRESENTS CHALLENGES REGULATORS.**
- **AS TECHNOLOGY CHANGES, WE MUST EVALUATE WHETHER OUR EXISTING REGULATORY APPROACHES REMAIN RELEVANT.**

- **SHOULD INTERNET SERVICES BE SUBJECT TO THE SAME REGULATIONS AS TRADITIONAL VOICE AND BROADCAST SERVICES?**
- **SHOULD BROADBAND SERVICES PROVIDED OVER CABLE NETWORKS BE TREATED LIKE DSL SERVICES?**
- **SHOULD PROVIDERS USING NEW WIRELESS NETWORKS (SUCH AS WIFI AND WIMAX) BE LICENSED THE SAME WAY WE LICENSE EXISTING MOBILE CARRIERS?**
- **THOUGH WE FACE COMMON CHALLENGES OF TECHNOLOGICAL CONVERGENCE ON BOTH SIDES OF THE ATLANTIC, THE RESPONSES OF REGULATORS WILL VARY DEPENDING ON OUR OWN CIRCUMSTANCES AND HISTORY OF COMPETITION.**
- **I THINK THIS IS A POINT THAT BEARS REPEATING: OUR UNIQUE, DOMESTIC RESPONSE WILL BE MADE WITHIN THE CONTEXT OF OUR UNIQUE CIRCUMSTANCES.**
- **MOREOVER, THIS RESPONSE WILL EVOLVE OVER TIME AS OUR NATIONAL CIRCUMSTANCES CHANGE, AS MARKET CONDITIONS EVOLVE AND AS TECHNOLOGY ADVANCES.**
- **IN THE UNITED STATES, THE FCC’S RESPONSE HAS BEEN TO MOVE TOWARD A DEREGULATED, COMPETITIVE MARKET. OUR GOAL IS A MARKET THAT IS UNDISTORTED BY REGULATORY ARBITRAGE AND ARTIFICIAL DISTINCTIONS AND IN WHICH COMPETITION LEADS TO HIGHER QUALITY, MORE INNOVATIVE SERVICES, AND CHEAPER RATES.**

#### **COMMON TRENDS**

- **A CLOSE EXAMINATION OF THE EFFECT OF CONVERGENCE ON REGULATION REVEALS A COMMON TREND (REGARDLESS OF THE NATIONAL REGULATORY CIRCUMSTANCES):**
  - **FIRST, THERE IS A MOVEMENT OF COMMUNICATIONS AND INFORMATION TECHNOLOGIES TOWARDS INTERCONNECTED NETWORKS BASED ON THE INTERNET PROTOCOL.**
  - **THE RESULT IS THE GROWING UBIQUITY OF COMPUTING AND COMMUNICATIONS.**
- **IN FACT, THIS YEAR, THE INTERNET CELEBRATES ITS 10<sup>TH</sup> YEAR AS A PRIVATELY MANAGED AND MAINTAINED NETWORK. ITS OPEN STANDARDS HAVE DRAMATICALLY INCREASED THE ABILITY OF SEPARATE NETWORKS TO BE INTERCONNECTED, UNLEASHING A PERIOD OF CREATIVE DESTRUCTION AS NEW PRODUCTS ARE PRODUCED, NEW BUSINESS MODELS ARE TESTED AND NEW COMPETITIVE FORCES ARE UNLEASHED.**
- **THE END RESULT HAS BEEN A DRAMATIC DECLINE IN PRICES AND A VAST INCREASE IN FUNCTIONALITY THAT HAS LED TO A GROWING UBIQUITY AND MOBILITY OF COMPUTING AND COMMUNICATION.**
- **SUBSCRIBERS TO FIXED INTERNET CONNECTIONS NEARLY TRIPLED BETWEEN 1999 AND 2003, FROM 100 MILLION TO 259 MILLION SUBSCRIBERS. ALMOST ONE THIRD OF THESE SUBSCRIBERS ACCESS THE INTERNET BY HIGH SPEED, BROADBAND CONNECTIONS.**

- **EXISTING PLATFORMS FOR DELIVERING DATA, TELEPHONY AND AUDIOVISUAL CONTENT ARE CONVERGING TOWARDS NETWORKS BASED ON INTERNET PROTOCOL TECHNOLOGIES.**
- **THESE DEVELOPMENTS ARE USHERING IN A NEW PHASE OF COMPETITION WHERE SERVICE OPERATORS ARE OFFERING A “TRIPLE PLAY” THAT BUNDLES VIDEO, TELEPHONE AND INTERNET PRODUCTS IN ONE OFFER AND A MORE SEAMLESS INTEGRATION OF FIXED AND MOBILE VOICE SERVICES.**
- **THE “NEXT GENERATION OF NETWORKS” WILL BE HIGH-CAPACITY NETWORKS BASED ON TECHNOLOGIES WITH INTERNET PROTOCOL CAPABILITIES THAT WILL ALLOW MOBILE ACCESS.**

#### **THE U.S. (FCC) RESPONSE**

- **TO DATE, THE INTERNET HAS NOT BEEN EXPOSED TO ECONOMIC REGULATION IN THE UNITED STATES, AS WE PURSUE A POLICY OF ENCOURAGING ITS GROWTH.**
- **U.S. POLICY MAKERS BELIEVE THAT CENTRALIZED REGULATIONS MAY BE INEFFECTIVE AND ILL-SUITED TO A DECENTRALIZED NETWORK THAT IS QUICKLY EVOLVING AND GLOBAL IN NATURE.**
- **THE FACT THAT THE FCC HAS NOT APPLIED ECONOMIC REGULATIONS TO THE INTERNET DOES NOT MEAN THAT THE FCC HAS NO ROLE TO PLAY IN THE BROADBAND MARKET.**
- **TO THE CONTRARY.**

- **THE FCC HAS ADOPTED MEASURES TO ENSURE THAT PUBLIC SAFETY, LAW ENFORCEMENT, AND CONSUMER PROTECTION NEEDS CONTINUE TO BE MET.**
  - **ONE OF THE FIRST ACTIONS TAKEN BY FCC UNDER THE LEADERSHIP OF CHAIRMAN MARTIN WAS TO APPROVE AN ORDER REQUIRING THAT INTERNET PHONE SERVICES PROVIDE EMERGENCY CALLING CAPABILITIES TO THEIR CUSTOMERS. THE FCC DEEMED THAT ENHANCED EMERGENCY CALLING SERVICES ARE CRITICAL TO THE GOVERNMENT'S AND CONSUMERS' ABILITY TO RESPOND TO A HOST OF CRISES.**
- ? IN ADDITION, THE FCC REAFFIRMED THAT LAW ENFORCEMENT AGENCIES MUST HAVE THE ABILITY TO CONDUCT ELECTRONIC SURVEILLANCE OVER FACILITIES-BASED INTERNET ACCESS PROVIDERS. THE REQUIREMENTS APPLY TO WHAT WE CALL INTERCONNECTED VOIP PROVIDERS (THAT IS, FACILITIES-BASED BROADBAND INTERNET ACCESS SERVICE PROVIDERS AND VOIP PROVIDERS THAT OFFER SERVICES PERMITTING USERS TO RECEIVE CALLS FROM, AND PLACE CALLS TO, THE PUBLIC SWITCHED NETWORK). THESE SERVICES CAN ESSENTIALLY REPLACE CONVENTIONAL TELECOMMUNICATIONS SERVICES CURRENTLY SUBJECT TO WIRETAP RULES. THEY SHOULD THEREFORE BE SUBJECT TO THE SAME WIRETAP RULES.**
- ? THE FCC ALSO INITIATED A PROCEDURE TO SEEK PUBLIC COMMENT ON WHETHER IT SHOULD DEVELOP A CONSUMER PROTECTION**

**FRAMEWORK THAT WOULD APPLY TO ALL BROADBAND INTERNET ACCESS PLATFORM PROVIDERS.**

- **LASTLY, THE FCC ADOPTED A POLICY STATEMENT THAT OUTLINES FOUR PRINCIPLES TO ENCOURAGE BROADBAND DEPLOYMENT AND PRESERVE AND PROMOTE THE OPEN AND INTERCONNECTED NATURE OF THE PUBLIC INTERNET.**

**FOUR PRINCIPLES**

- **UNDER THESE PRINCIPLES, USERS OF COMMUNICATIONS SERVICES ARE ENTITLED TO:**
  - (1) **ACCESS THE LAWFUL INTERNET CONTENT OF THEIR CHOICE;**
  - (2) **RUN APPLICATIONS AND SERVICES OF THEIR CHOICE, SUBJECT TO THE NEEDS OF LAW ENFORCEMENT;**
  - (3) **CONNECT THEIR CHOICE OF LEGAL DEVICES THAT DO NOT HARM THE NETWORK; AND**
  - (4) **COMPETITION AMONG NETWORK PROVIDERS, APPLICATION AND SERVICE PROVIDERS, AND CONTENT PROVIDERS.**

**? THESE ACTIONS BY THE FCC REPRESENT A BALANCED APPROACH TOWARD REGULATION IN AN ERA OF CONVERGENCE--ONE THAT TAKES INTO CONSIDERATION:**

- **THE EXPECTATIONS OF CONSUMERS,**
- **THE NEED TO ENSURE ACCESS TO PUBLIC SAFETY IN TIMES OF CRISES,**
- **THE REQUIREMENTS OF LAW ENFORCEMENT AND PUBLIC SAFETY OFFICIALS, AND**

- THE NEEDS OF COMPANIES OFFERING INNOVATIVE VOIP SERVICES.

## **CONCLUSION**

**? AT THE FCC, WE WELCOME THE CHALLENGES PRESENTED BY TECHNOLOGICAL CONVERGENCE. WE ARE HOPEFUL THE NEW EMERGING STRUCTURE WILL FOSTER STRONGER SOCIAL TIES BECAUSE IT WILL ENABLE:**

- RURAL CITIZENS TO CONNECT TO THE REST OF THE NATION THROUGH VOIP-ENABLED PHONES;
  - URBAN CITY DWELLER TO MONITORS THE HIGHS AND LOWS OF THE STOCK MARKET ON A MOBILE HANDSET;
  - CHILDREN TO ACCESS THE GLOBE THROUGH INTERNET-STREAMED VIDEO; AND,
  - COMMUNITIES TO CONNECT THROUGH EMAIL WITH OTHER COMMUNITIES, IN THE UNITED STATES AND ALL OVER THE WORLD.
- TO REACH THIS GOAL, REGULATORS MUST STAY FOCUSED ON ADOPTING POLICIES THAT PROMOTE INNOVATION AND ENCOURAGE COMPETITION.
- ? THE GLOBAL FORUM 2005 IS A UNIQUE OPPORTUNITY TO SHARE INFORMATION REGARDING THIS RICH FUTURE AND TO DISCUSS POSSIBLE APPROACHES TO REACTING TO THE CHALLENGES OF CONVERGENCE.**

**I LOOK FORWARD TO OUR DISCUSSIONS OVER THE NEXT TWO DAYS. THANK  
YOU.**