

January 28, 1999

SEPARATE STATEMENT OF CHAIRMAN WILLIAM E. KENNARD

*In the Matter of Inquiry Concerning the Deployment of
Advanced Telecommunications Capability, CC Docket No. 98-146*

Promoting the deployment of advanced telecommunications capabilities to all Americans is at the top of my agenda.

As today's Report concludes, we see billions of dollars being invested in broadband and an extraordinary level of infrastructure deployment. Advanced telecommunications capabilities are being rolled out in this country at a rate that outpaces the rollout of previous breakthrough products and services in the communications field. So by this objective measure at least, we are ahead of the curve.

But it is very early in the game. Therefore I want to make it very clear that this issue remains at the top of my agenda. Regardless of the objective measures we use to measure deployment, on a subjective level I am impatient. I want the Internet to go faster and farther, for all Americans -- the young and the old, those in our inner cities and in our rural hamlets, those with every advantage and those with special needs.

Those cut off from these high-speed networks today will find themselves cut off from the economic opportunities of tomorrow. And more importantly, they will be cut off from the most important network that there is -- the network of our national community.

In Section 706, Congress said that if we find that deployment is **not** reasonable and timely, we must take immediate action to remove barriers to investment and to promote competition. Don't think for a minute that our Report today lets us off the hook. We must always be looking for ways to remove barriers to investment and to promote competition.

I am particularly concerned about deployment in rural areas and in inner cities. Given the early stage of deployment of advanced telecommunications generally, it may seem difficult to discern the extent of the disparity between rural and urban areas. But today's Report suggests that in the very short term, demand for high bandwidth will really start to take off. My concern is that a geometric increase in demand may be mirrored by a geometric increase in the urban-rural disparity.

Our challenge is to ensure that deployment is as ubiquitous as possible, in rural areas as well as urban areas. The Common Carrier Bureau already issues regular reports on fiber deployment, and I am directing them to re-double their efforts when it comes to scrutinizing the needs of rural America and whether those needs are being met.

Later today Commissioner Tristani and I will be leaving for New Mexico to hold hearings on the need to increase the reach of modern telecommunications among Native Americans. And when I meet with the membership of the National Telephone Cooperative

Association in a couple weeks, I look forward to learning more from them about how the FCC can help in the deployment of advanced telecommunications in rural America.

It may well be that the answer, particularly in rural markets, lies in wireless and satellite technologies. It is therefore imperative that we continue to maximize the amount of spectrum available for broadband uses. In short, we must use all the tools we have to accelerate deployment of advanced telecommunications throughout America.

We had intended to take actions in that regard today, in one of the rulemaking items that we had to re-tool a bit in the wake of the Supreme Court decision. In that item we would have considered ways to give both incumbents and new entrants incentives to deploy DSL technology quickly. Staff is moving promptly to get that item back before the commissioners for a vote.

That item will be a continuation of a number of recent initiatives by which we have been bringing more bandwidth to the home. We recently authorized two-way MDS service that is permitting licensees in that wireless service to upgrade their offerings. We also provided for the relocation and expansion of spectrum in the 24 Ghz band. Already we are seeing wireless operators moving to take advantage of that increase in spectrum availability for the provision of broadband.

We also need to consider our universal service proceedings. Among other things, we need to make sure that wireless operators have the same ability as their wireline competitors to obtain certification to receive universal service support.

As I said before I am impatient. Because every day counts. For incumbents and new competitors, for investors, and, most importantly, for the American consumer.

Finally, we must continue to monitor the extent to which broadband pipes are used to expand, not restrict, consumer choice. The Internet has grown enormously in recent years, in large part due to the openness of the networks that make up the Internet and the interconnection of all of them. Many consumers are used to being able to dial-up access to the Internet provider of their choice. As new providers emerge, we must evaluate whether openness and connectivity are the best means to achieve our goal, and that of Congress, to increase the useful deployment of broadband.

So while I am pleased to adopt this Report and its findings, our work is far from over.