

**Prepared Remarks of FCC Chairman Tom Wheeler  
The Ohio State University  
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Thank you. It's always great to be back at The Ohio State University. But it's even better two days after we whipped that other school. I graduated more than 40 years ago, but I can assure you, beating the School Up North never gets old.

Between Thanksgiving travel, The Game, and finals coming up, I was skeptical that anyone would be here today. We thought of marketing the event as an anti-BCS protest, but things seem to be taking care of themselves in that regard. The fact of the matter, however, is that you are here and I really appreciate it.

I chose to make my first policy address here in Columbus for multiple reasons. Primary among them is the fact that the work of the Federal Communications Commission may be done in Washington, but the reason for that work, the people of America, and the effects of that work are outside of Washington. Do not confuse that assertion, by the way, as some kind of anti-Washington statement; far from it. The public servants with which I am today privileged to work (and those I have known through the years) are just that: public servants who struggle mightily in the quest of what is best for the nation, often at significant personal sacrifice.

Today, I published a short eBook entitled *Net Effects: The Past, Present and Future Impact of our Networks*. The book is available for free on the FCC website, Amazon Kindle, Scribd, and other platforms. Today's remarks are the first of a series over the next several months that will begin to articulate a regulatory philosophy. The purpose of the eBook as well as presentations such as this is to begin a dialogue, not to dictate a conclusion. I am privileged to lead a Commission with four other Commissioners. Together, we will make the necessary policy decisions.

I said there are multiple reasons why I came to Columbus for this occasion. I had the pleasure of meeting Todd Snitchler, Chairman of the Public Utilities Commission of Ohio, a colleague in the regulatory oversight world. And I'm sure Chairman Snitchler well appreciates how my favorite part of the day was meeting with student leaders, some holding positions I once held on this campus, to encourage them to consider careers in public service.

And finally, I came here today because I'm a proud Buckeye!

I hope to spend most of my time with you taking your questions, but first I want to pick up on the theme of the *Net Effects* eBook: how we are living in a time of revolutionary technological change and the role of the FCC in tackling the challenges and seizing the opportunities created by the new network that has engulfed us.

Allow me to start with a little history lesson.

I may have majored in business administration when I was Ohio State, but I have always had a love of history and that passion has only grown over time.

I've written two books on the Civil War, and, when President Obama nominated me to serve as FCC Chairman, I was working on my third book, about the great network revolutions in history.

The first network revolution was Gutenberg's printing press, which enabled the original information revolution. The second was the railroad – the first high-speed network, which enabled the Industrial

Revolution. The third was the telegraph, which converted information to signals, paving the way for the telephone, radio and television, and eventually the binary on-off signaling of computers and computing networks.

We are living in the fourth great network revolution – the marriage of computing and connectivity. Some have labeled it the information age.

Each of the preceding revolutions forever changed the world; we should not, therefore, be surprised when today's network revolution hurls new realities at us with an ever-increasing velocity.

At the heart of these changes is this: the new information networks are the new economy. Earlier networks enabled ancillary economic activities. The railroad, for instance, hauled coal that fired the furnaces of industry. In contrast, what today's new networks haul isn't an input to a product, it is the product itself. Our growth industries are today based on the exchange and use of digital information. As such, information networks aren't ancillary; they are integral.

How we connect with friends and family, how our homes use energy; the efficiency of our transportation network; how we elect our public leaders and engage with government; all are impacted by our new networks. Here at Ohio State there was a dramatic example of how networks are changing old practices when Dr. Christopher Kaeding donned Google Glass to conduct a surgical operation that allowed medical students located miles away to see through his eyes.

There is another aspect of the new networks that will differentiate the lives of the current crop of students at Ohio State. Historically, networks have been a centralizing force, pulling users closer to the place where the technology resided. The new network operates in an opposing manner, pushing activities outward to the edge of the network. The result is an explosion in individual opportunity – a re-birth of the entrepreneurial dynamism that characterized the pre-industrial era of our nation.

Enter the Federal Communications Commission.

The FCC is the public's representative to the ongoing network revolution.

The agency was created originally in 1934 to oversee the third-generation networks of telephony and broadcast and, eventually cable and wireless carriers.

Specifically, Congress charged the FCC to protect – quote – “the public interest, convenience, and necessity” of the nation's networks.

In serving the public interest, the FCC has focused on dual responsibilities.

First, facilitating dynamic technological change to ensure the U.S. has world-class communications networks.

Second, ensuring that our networks reflect our civic values, most notably our belief that communications networks should be accessible to all.

Today, we find ourselves at a crossroads. The old monopoly telephone network is being replaced by new, more flexible and efficient digital networks. This is a good thing. The networks of the 21<sup>st</sup> century bear scant physical resemblance to the networks that defined the 20<sup>th</sup> century.

As our networks evolve, so should government oversight. There are some who suggest that new technology should essentially free the new networks from regulation; that market forces are enough to ensure that the public interest will be served. I am a rabid believer in the power of the marketplace. But I have seen enough about how markets operate to know that they don't always, by themselves, solve every problem.

Our new networks are even more important to society than were the old ones. The public has the right to be represented as we go through the transition that is the fourth network revolution.

The evolution of network technology changes neither the responsibility of networks to the greater society, nor the FCC's mission to protect the public interest. Congress gave the FCC authority over interstate and foreign wire and radio communications. We have an obligation to live up to that mandate.

Indeed, the success of the Internet would be imperiled were that not the case. The Internet is not a law-free zone. It depends upon standards of conduct. And it depends upon the ability of the government to intervene in the event of aggravated circumstances.

Now, before anyone translates this into a call to "Regulate the Internet," let me be clear. "Regulating the Internet" is a non-starter. What the Internet does is an activity in which policy makers should be extremely circumspect. The United States' policy strongly favors Internet Freedom, limiting government involvement to over-riding purposes such as the completion of 911 calls or the ban on child pornography. Assuring that the Internet exists, however, as a collection of open, interconnected entities is an appropriate activity for the people's representatives.

As we fulfill our responsibility, we will be guided by two lodestars: competition policy and something I call the Network Compact.

I'll start with competition. Ask Urban Meyer or Thad Matta about the power of competition to motivate you to make the necessary investments to improve and succeed.

My time in the private sector as both an advocate and an investor has left me an unabashed supporter of competition.

And beyond my experience, competition is our fundamental national economic policy, a point often made by the Supreme Court.

Competition is a power unto itself that must be encouraged. Competitive markets produce better outcomes than regulated or uncompetitive markets. We must protect competition where it exists. We must promote competition where it may not be fulsome.

The FCC has been in the forefront of promoting and protecting competitive approaches for decades, very often in the face of opposition from established interests of every description—sometimes dominant firms, sometimes others who benefitted from existing, but threatened, arrangements. Here's one very simple example: it's because of the FCC that you have multiple competitive choices for your mobile phone service.

As the FCC embraced and encouraged competition, good things happened. The enormous dynamism of the communications and information sector, exemplified by what broadband and mobile technologies have enabled—most dramatically illustrated by the Internet – is proof of that.

With such a proof-set, the responsibility to protect workable competition with all of its benefits whenever it exists becomes even more important. Where we are fortunate enough to have workable competition, I intend to protect it

But the FCC's job is also to promote competition. Congress has given us tools to accomplish this goal. We will use those tools in a fact-based, data-driven manner.

One way is to ensure competitors have key inputs necessary to build out and operate networks. The best example would be spectrum. Think of spectrum as our invisible infrastructure – the airwaves that beam data from cell towers to our phones, or from Wi-Fi routers to our laptops.

Spectrum is finite, and the FCC is charged with managing the airwaves that are used for commercial purposes. A key goal of our spectrum allocation efforts is ensuring that multiple carriers have access to airwaves needed to operate their networks. The importance of such competition was reinforced by a filing with the Commission from the Antitrust Division of the Department of Justice last April.

We also monitor other competitive actions in the communications economy. In this regard we encourage voluntary industry codes of conduct; but we will monitor their effectiveness and will not hesitate to act where warranted.

Consider the present practice of “locking” a mobile phone so that it only works on the network that sold it to you. I believe that once a consumer upholds his or her end of the deal to buy a phone, he or she should be able to switch that phone to another carrier's network – it's called competition. Just last month I reached out to the head of the wireless industry's trade association to encourage the industry to adopt such unlocking practices. I have been pleased with the industry's responsiveness thus far, but the message was clear: if mobile phone companies don't act voluntarily – and quickly – to adopt a policy to unlock phones, I will work hard to ensure the FCC will act to require them to do so.

Another part of our competition policy is merger review. When two companies propose merging, like AT&T and T-Mobile did recently, for example, the FCC is charged with reviewing the transaction to determine if it's in the public interest. In that particular case, the FCC refused to give the go-ahead to a deal that could have pushed us toward a duopoly. And look at what happened. Following the signal that the FCC is committed to a competitive mobile marketplace, both T-Mobile and Sprint have been able to attract significant investment capital to build out their networks and increase competition in the mobile industry.

Here's the bottom line on competition. Our goal should be to ask how competition can best serve the public – and what, *if any*, action (including governmental action) is needed to preserve the future of network competition in wired or wireless networks.

Notice that I stressed “if any.” If the facts and data determine that a market is competitive, the need for FCC intervention decreases. I have zero interest in imposing new regulations on a competitive market just because we can. I have repeatedly advocated the “see-saw” rule – that when competition is high, regulation can be low. The effect of the “see-saw” rule gives companies control over their regulatory fates based on the degree to which they embrace competition in their markets.

It is important to remember, however, that competition does not and will not produce adequate outcomes in the circumstance of significant, persisting market power or of significant negative externalities. Where those occur, the Communications Act and the interests of our society – the public interest – compel us to act and we will.

I will not hesitate to invoke the full authority granted to us by Congress to protect competition, and I will not hesitate to use the full authority granted us by Congress where competition is not available to secure the public interest through the promotion of competitive markets.

Another guide to the public interest work is what I call the Network Compact. You can think of this as the basic rights of consumers and the basic responsibilities of network operators.

There are three key elements of the Network Compact – accessibility, interconnection, and public safety and security.

On accessibility, there is nothing more fundamental to the FCC’s work than ensuring every American has access to our wired and wireless networks.

We’ve got some work to do.

According to the latest survey data, about 70 percent of Americans have adopted basic broadband service. When you add in smartphone subscribers, about 80 percent of Americans can get online at home.

But having a significant percentage of Americans bypassed by the Internet revolution is unacceptable. We can’t maximize economic growth and job creation when 20 percent of our population is cut off from the digital economy at home.

In addition, 15 million Americans live in areas where they can’t get wireline broadband, even if they wanted it.

We also will have failed as a nation if our schools aren’t capable of providing a 21<sup>st</sup> century education. A recent survey of school teachers and administrators found that 80 percent felt there wasn’t network bandwidth available to them to meet their educational needs.

That’s why the Commission is improving our universal service programs, including the eRate program for schools and libraries. We are modernizing a program originally conceived to deliver plain old telephone service into programs to ensure broadband access to all Americans, including American schools.

The right of access also means the ability of users to access all lawful content on a network. That’s why the FCC adopted enforceable rules to preserve the Open Internet.

Our commitment to universal access also requires that we go the extra mile to ensure persons with disabilities can get online and the benefits of these incredible new networks can be harnessed to address the challenges of Americans with disabilities.

In this regard, let me pause for a quick shout out about the closed captioning on the big screen at Ohio Stadium. As our video realities change and expand, so must our vigilance to assure that access to those new capabilities includes all Americans.

The second piece of the Network Compact is interconnection. The telephone network created an identifiable, singular, end-to-end path for communications. The Internet is far different; it is a collection, not a thing. It is the “Inter” net, short for its original description, “Internetworking,” because multiple open, disparate networks exchange information seamlessly. Absent the interconnection of the parts of the collective we call the Internet there is no Internet.

Allow me to repeat what I said previously. Regulating the Internet is a non-starter. What the Internet does is an activity where policy makers must be judiciously prudent and should not be involved. But assuring the Internet exists as a collection of open, interconnected facilities is a highly appropriate subject.

The final piece of the Network Compact is public safety and national security. That means not only assuring that 911 calls go through, but also ensuring that our networks are secure from cyber threats. Our networks must continue to be the safety backbone during an emergency. We must have the ability to summon emergency help, to coordinate an emergency response, and to do so via a network that is as secure as possible from cyber attacks.

There are a number of actions the FCC is taking to promote competition and advance each element of the Network Compact. Ordinarily I would be inclined to highlight them.

But I will not, because the most important thing I hope you will take away from my remarks today is *not what* the FCC is doing, and *but why* we are doing it. And the answer to that question is that we are the people's representatives, acting on behalf of the public, who have the responsibility to maintain the values you find important.

Which brings me back to you.

As you heard from President Alutto's introduction, I've only been on the job as FCC Chairman for a few weeks. I delivered brief remarks at a few internal events, but this is my first, quote-unquote "speech" as FCC Chairman.

Let me close by returning to where I began. I wanted to give these remarks in Columbus, not only because of my deep affection for this place. But because I think the dateline of my first speech sends a more powerful message than anything you'll find in the transcript.

It's a message that the American people are our constituency. That how we connect determines how jobs are created and lives are lived. And that your FCC believes its mission is as integral to the prosperity of the Ohio Valley as Silicon Valley.

It's a message to young people that the new world of networks can be – must be – innovative and dynamic and competitive and serve consumer expectations. And that when these forces converge, opportunities abound.

To get this right – to maximize the benefits of this great network revolution – the voices of the American people must be heard. Starting with you, which is why I'm going to sit down, take your questions and listen to your comments.

But let me leave you with one last thought. I graduated from this great university never expecting to return as a public official.

As FCC Chairman, I see myself as the public's advocate in the midst of an historic revolution. It is the most humbling challenge of my life, and I'm committed to doing all in my power to live up to this honor.

Thank you.