

The Power of the Third

**Wireless Internet Caucus, CTIA Conference
Remarks of Commissioner Kathleen Q. Abernathy
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As prepared for delivery.**

Thank you, Tom, for that all-too-revealing introduction. It is great to be here at CTIA and at the WIC. As Tom indicated, I really came of age as a communications attorney during my five years at Airtouch. So it's good to be here with an industry that I know so well and with so many friends.

Since I came to the Commission last year one thing has become exceedingly clear - as a commissioner, it's not always easy to get everything you want - even when you enjoy a three to one majority. On our five-member Commission, it's something I affectionately refer to as the power of the THIRD – absent that THIRD vote – nothing gets done.

The power of the THIRD in the Commission voting context has a parallel from my Airtouch experiences in the mid-90s. In those days, most markets had two cellular providers – and in 1995 the Commission moved to launch additional providers through the PCS auctions. I remember first hand the impact of the market entry of the THIRD – it changed the marketplace – for the better – and validated the hands-off regulatory approach taken at the FCC – through the competitive forces that are now so readily evident – lower

prices, better quality, innovation, continuing growth in subscribership.

That is a great public policy story to tell – and a few years down the road I want to be able to tell the same story about broadband – I want to be able to speak about the power of the THIRD platform to the home. That is – today we have two main broadband competitors – wireline telephony and cable. I believe the impact of the THIRD provider will be transforming --- we will never look at wireline and cable broadband the same if we can develop the THIRD broadband platform to the American people.

We at the Commission have a tremendous opportunity to ensure our regulatory environment allows the capital markets and consumers to assess the viability and utility of various broadband offerings – and not allow antiquated regulatory buckets to determine the fate of various platforms. I am not here to say that the FCC has decided wireless SHALL be the THIRD pipe to the home – that’s not our role -- I am here to say that we want to create rules that allow you to compete for that role with other competitors.

Obviously, there are two potential avenues for the wireless delivery of broadband - fixed and mobile. On the fixed side, I continue to hope and believe that fixed wireless technology will evolve in a way that allows additional capacity and operational flexibility in our current fixed wireless spectrum allocations. In this regard, fixed services may ultimately be ubiquitously deployed or may serve to

fill in gaps left by the technical limitations in other technologies – such as DSL.

In addition to fixed service, I believe the current public policy debate has often failed to appreciate the role of mobile wireless technologies as an increasingly viable broadband provider. Third generation wireless technologies offer significant promise – and the Commission is committed to providing additional spectrum for these services. Within the year, we will conclude our so-called 3G proceeding that will allocate additional spectrum. I am also committed to working with the Administration to free additional government spectrum for commercial use and to take a careful look at the current commercial allocations to assess whether any reallocations are appropriate. We must tackle this issue and get more spectrum into commercial hands so that the United States can continue to evolve as a global wireless leader.

We are also scheduled to hold our auction of television channels 60-69 and 52-59 during the year with the goal of providing additional spectrum. In general the future licensees in these bands will be given significant flexibility to provide the types of services they deem the most valuable – so long as they do not interfere with other licensees' ability to utilize their rights.

Beyond additional allocations we will also be moving to revise our rules to foster a stronger secondary market in spectrum resources – so that spectrum can change hands more readily and evolve to their highest valued uses. Our

current antiquated approach is more restrictive than necessary to comply with the statute and I look forward to getting an order out that will facilitate spectrum leasing as well as license transferability.

In addition, I will continue to support policies that allow for the natural evolution of current bands to next generation use. And this Commission will use its biennial review and forbearance authority to retire or modify regulations that have outlived their usefulness.

The promise of mobile wireless broadband is beginning to be realized today. I recently read of one such example in a report describing the CTIA Wireless Foundation's activities in bringing broadband to rural America through demonstration projects. As part of that program, the Terry High School in Terry, Montana is currently receiving two years of broadband complements of CTIA. Projects like this dramatically illustrate the potential role of wireless broadband.

I don't think it is possible to overstate the promise of wireless broadband services. You will serve populations that are currently under-served, provide competition to a high speed internet market currently dominated by cable and DSL - while simultaneously simplifying our regulatory challenges with regard to cable and wireline. So a particularly positive side effect is that your success will have the effect of making my job easier!

As we go forward, I also want to stress that my door will remain open. I believe that we as commissioners have an obligation to seek out as much information as practicable in order to make the best decisions possible for the American people. More information is only the enemy of a bad decision. As I have stated before, we cannot replicate the knowledge base that is present in this room – we need to recognize that – and be humble about what we can and do know as we attempt to craft regulations. If you have an issue that you need to discuss with me or my wireless advisor, please let us know. After all, that is what the taxpayers pay us to do –

Thank you again for allowing me to be with you this evening. I'd be happy to take any questions...