

**Text As Prepared**

**Remarks By Kevin J. Martin  
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At the Federal Communications Commission's  
21st Century International Communications Broadband Symposium  
Washington, DC  
May 22, 2002**

I want to thank all of our visitors – particularly our international visitors – for being here today. As technology advances around the world, it is crucial that we maintain a dialogue with other countries, so that we can learn from each other's successes and failures and, where possible, look for global solutions.

This kind of dialogue may be even more important now, in light of the economic challenge facing the telecom sector all over the world. In times like these, we all face similar problems, and I know that the issues I face here at the FCC are often the very same ones that confront my colleagues around the world. I would like to offer just a few observations on these issues:

- At the FCC, we've learned that building public confidence in regulatory decisionmaking through transparent and efficient processes is especially

important when the financial markets are unstable. As investment money – whether it be dollars, euros, or yen – grows ever tighter, regulatory regimes must be, and must be perceived to be, fair, transparent, and predictable.

- We're also learning that no matter how tempting, economic hardship does not create mandates for action that do not otherwise exist. In that regard, the FCC is resisting calls to look to the government to “solve” problems best left to the market. Sometimes, aggressive regulatory efforts to fine tune a turbulent sector can do more harm than good.
- We've learned that today's marketplace is extremely dynamic – long months of delay mean uncertainty, delayed investment, and untold transaction costs. Regulatory uncertainty and delay function as entry barriers themselves, limiting investment and impeding deployment of new services. We should all work to be faster and more reliable in our decisionmaking. The market thrives on certainty.
- In that vein, the role of enforcement activity by regulators takes on even greater importance today. Enforcement matters, in particular, require fast decisionmaking so that parties can resolve disputes quickly. Here at the FCC, we have such a program – the so-called “rocket-docket” – but it can only be used for limited enforcement matters. I have thus advocated

expanding the program and resolving all complaints in an expedited manner. Regulatory delay is not impartial, often favoring one side in commercial competition. Under Chairman Powell's leadership, the FCC has made great strides towards reducing this problem, including by clearing out backlogged applications. We have also sought authority to impose dramatically increased fines for significant violations of FCC rules.

Turning now to the specific topic for this session, I am pleased that we are here to talk about broadband. Encouraging broadband deployment should be a fundamental priority of all governments. The availability of broadband is essential to the global economy in the 21st century, dramatically reducing the costs of exchanging information and allowing previously local businesses to serve the world.

While we should be cautious to avoid old-style "industrial policy," I believe we can and should take steps to eliminate disincentives to broadband deployment that already exist. There are several ways government can eliminate such disincentives.

First, government should commit itself to exercising self-restraint in placing additional financial burdens on broadband. In the United States, government at every level too often sees broadband deployment and telecommunications more generally as a potential revenue stream. From federal and state excise taxes – the kind of taxes traditionally reserved for decreasing demand for certain products, such as alcohol and tobacco – to local franchise fees, which are sometimes designed to recoup more than the costs governments bear for such services as repairing streets, governments impose taxes that increase prices, thus actually discouraging demand and therefore deployment. To truly help spur broadband deployment, every level of government should be committed to minimizing and eliminating these excess financial burdens.

In addition, government should emphasize and keep in mind the ultimate goal of facilities-based deployment and competition. Such competition will ultimately lead to lower prices and new, more varied services for all of our citizens. I believe that the Commission must reevaluate our regulatory framework with an eye toward what decisions will help spur facilities investment. That is why I supported the Commission's recent efforts to undergo a periodic review of our policies and to determine the appropriate regulatory framework to apply to broadband service.

Another important thing government can do is establish a stable, reliable, and fast-acting regulatory environment. In all of our governments, we ought to work to remove what I call “regulatory underbrush” – burdensome regulations that may be impeding deployment. In the United States, this underbrush occurs both on the federal level and at the state and local levels. For example, states and localities impose rights of way fees, require permits for zoning and tower siting, and charge franchise fees. For new entrants in the United states, these local restrictions are some of the most cumbersome and difficult for broadband providers to navigate through. At the same time, some of our state and local governments are doing a fantastic job of promoting broadband deployment. In Michigan, for example, they already publish a list of their local communities that are more open to broadband deployment and those that are not. And Michigan has just passed legislation further encouraging local communities to ease deployment of new facilities. I hope this kind of effort to spotlight local communities that may be impeding deployment and those that are facilitating it will spur all officials to take a more critical look at their existing regulations.

By doing all of these things, we can begin to remove financial disincentives and regulations that discourage broadband deployment. I recognize that the steps I have outlined are no “silver bullet” solution. But by following all of them, and working together and with industry, I believe we can make an important difference in all of our countries.