

**TESTIMONY OF
JONATHAN S. ADELSTEIN
COMMISSIONER
FEDERAL COMMUNICATIONS COMMISSION**

**BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

“FEDERAL COMMUNICATIONS COMMISSION OVERSIGHT HEARING”

December 13, 2007

Chairman Inouye, Vice Chairman Stevens, and members of the Committee, thank you for calling this oversight hearing on media and telecommunications matters pending before the Federal Communications Commission.

As an independent agency, the Commission’s overriding statutory obligation is to promote the public interest. But it is you – the elected representatives of the American people – who are directly accountable to the public. I consider it an honor to discuss with you some of the many important issues before us. Your oversight regarding our agenda, including media ownership, the transition to digital television (DTV), broadband, universal service, spectrum and wireless policy is an essential part of the Commission’s decision-making process. It should improve our responsiveness and service to the American people.

Media Ownership

Perhaps no issue on the Commission’s agenda has more far-reaching consequences for the future of our democracy than the media ownership rules. Free over-the-air broadcasting licenses are scarce, and broadcasters have an enormous impact on the free exchange of ideas. Despite the growth of other media delivery systems, broadcasting, in combination with newspapers, are still the most pervasive of all platforms.

It is clear the public grasps the gravity of our ownership rules. As we have visited communities across the country, we have heard a nonpartisan chorus opposing any further concentration of ownership in the media industry. Americans from all walks of life and all political perspectives, whether right, left and virtually everybody in between, do not want a handful of companies dominating their primary sources of news, information and entertainment.

The Commission’s current course, if unchecked, could cause lasting harm to American media for future generations. Without major changes, the pending proposal before us will decidedly hurt competition, diversity and localism. Independent voices will be silenced; women and people of color, who already own tragically few media outlets, will find them even further out of reach; and the public will not receive any quantifiable measure of more local news, information or decent family programming.

It has been disappointing to see the Commission proceed with such little deference to the American people and their elected representatives. In the wake of your leadership, Mr. Chairman, and the unanimous vote of this Committee to compel a more open and transparent process, I would have expected the Commission to redirect its course. You have given us a path to resolve lingering controversy over how to consider the media ownership rules. I fully support following the process you have laid out on bipartisan basis which was approved unanimously by this Committee. Even if it is not adopted by Congress immediately, the Commission should, in the spirit of deference, compromise, cooperation and responsiveness to Congress, follow the process outlined in the Media Ownership Act of 2007 (S. 2332). This legislation would:

- require the FCC to complete a separate proceeding to evaluate how localism is affected by media consolidation;
- give the public an opportunity to comment on that proceeding for 90 days;
- require that the localism proceeding be done separately and be completed prior to a vote on proposed media ownership rules; and
- require establishment of an independent panel on female and minority ownership and for the FCC to provide the panel with accurate data on female and minority ownership -- this panel must issue recommendations and the FCC must act on them prior to voting on any proposed ownership rules.

Following these simple guidelines is a path to restoring Congressional and public faith in the Commission's procedures in the media ownership proceeding.

Failure to adhere to the guidance of elected leaders in Congress and to follow open and transparent procedures undermines public confidence. Nowhere is this more important than in our review of the media ownership rules. Yet, the Commission's approach to our final media ownership hearing in Seattle, Washington is emblematic of our shortcomings. Along with many Members of Congress, Senator Maria Cantwell and Congressman Jay Inslee requested the Commission give their constituents an opportunity to share their views about media ownership before we proposed to modify the rules. As the date of a rumored Seattle hearing approached and no official announcement was made, Senator Cantwell and Congressman Inslee again wrote the Commission to ask that the public be afforded one month notice so they could plan for the event. But their letter was ignored and the hearing was announced, giving the public just five business days notice – the very minimum allowed by federal law.

The people of Seattle were rightfully outraged at the short notice, but they showed up in large numbers anyway, over 1100 strong on a Friday night, in protest. Public witnesses expressed with passion and eloquence their concern about any steps that would further media consolidation, which they believed had gone too far already. They openly questioned how the FCC could proceed on such a course.

The next day back at the office, the Chairman announced plans in a *New York Times* op-ed and a press release on how he sought to relax the newspaper-broadcast cross ownership rule. That was not only the first time the public learned of the plan. It was also the first time the Commissioners were notified of the details. It is hard to imagine

how it was possible to review and consider hundreds of public comments made in Seattle alone before issuing the proposal the next working day. What could have been a meaningful opportunity for public input and cooperation with Congress was lost.

The proposal, which is portrayed as “modest,” is fraught with substantive problems that will require serious internal Commission cooperation, consultation and negotiations. The proposal as drafted would actually open the door to dominant local newspapers buying up broadcast outlets in every market in America and potentially of any size. And it would transform the current ban on newspaper-broadcast into a nationwide bazaar that would only require buyers to meet the loosest standards for a waiver.

Even if the proposal were limited to the top 20 markets, that would account for 43 percent of U.S. households, or over 120 million Americans. But the details reveal loopholes that would permit new cross-owned combinations from the largest markets down to the smallest markets, potentially affecting every American household. The proposal would permit many cross-ownership combinations in markets in which none previously existed, but as written it would not lead to more news and information in those markets.

The waiver standards are as stiff as a wet noodle. The majority of Commissioners would be able to bend and reshape them at will. Even under the current stronger standards of a blanket prohibition on cross-ownership, the Commission has been lax in permitting waivers.

The proposal suggests four factors to be considered for waiver requests, each of which would require significant strengthening to be meaningful. First, the draft would have the Commission consider if a company will “increase the local news disseminated.” With no definition, even an insignificant amount of news a year could qualify. We need real, quantifiable and substantial standards. Second, each outlet would have to maintain “independent news judgment.” But there are no standards articulated for determining or enforcing what that means. Third, the Commission would consider the “level of concentration” in the market. But the proposal offers no measure by which to judge what is too concentrated, so evidence showing concentration can be dismissed on a whim. We need a meaningful and quantifiable standard by which to judge what constitutes unacceptable increases in concentration. And fourth, the Commission would consider a newspaper’s “financial condition.” This factor is so vague as to be virtually meaningless. We should base the standard on the financial distress requirements that are currently considered grounds for a waiver.

These loopholes also undercut the assertion that the proposal would prevent a newspaper from buying one of the top-four rated stations in the same market. That alleged protection would disappear with the wave of a hand in the market below the top 20 if these loose waiver standards were invoked, so that a newspaper could buy any TV station in any city, no matter how large.

The main public interest justification for newspaper-broadcast cross-ownership has been the claim that relaxing the rule would create more local news. A path-breaking study by leading consumer organizations, using the FCC's own data, demonstrated that claim to be wrong. They found that the data underlying an FCC-sponsored study finding more local news by cross-owned stations actually reveals that there is less local news in those markets as a whole, taking into account all news outlets. It remains unclear exactly why the overall level of local news available diminishes. Perhaps it is because other outlets choose not to compete with the local leviathan or they lose equal access to the newspaper's investigative and news resources. But the fact is the Commission's own data reveals the other outlets in those cities reduce their news coverage more than the cross-owned outlets increase it. So not only is less news produced in the market, but an independent voice is silenced when the dominant local newspaper swallows up a broadcast outlet. We must find the root causes of this problem and address them before we proceed to relax the cross-ownership rule.

We must also study the relationship between inappropriate programming for children, such as excessively sexual or violent programs, and the concentration of media ownership. A 2005 report found that 96 percent of all the indecency fines levied by the FCC in radio from 2000 to 2003 (97 out of 101) were levied against four of the nation's largest radio station ownership groups. The remaining 11,000-plus stations were responsible for just four percent of all FCC radio indecency violations, a fraction of their national audience share. While the radio report did not prove a causal link between ownership concentration and broadcast indecency, I believe the Commission has an obligation to study and understand the relationship between media concentration – station ownership and program ownership – and indecency before we permit more consolidation. A study last year by the Parents Television Council found that, in the midst of an unprecedented wave of media consolidation between 1998 and 2006, violence on TV during the evening hours of 8:00, 9:00 and 10:00 grew by 45, 92 and 167 percent, respectively. Commissioner Capps and I requested a full FCC field hearing to explore the relationship between media consolidation and the rising volume of material inappropriate for children in the media, but none was held.

In terms of violence, the Commission released its report on violent television programming and its impact on children last April. Since then, the Commission has not done anything proactive to address the many concerns we have heard. While there may be limitations on what we can do under current law, there is no limitation upon our ability to show leadership to confront the problem. And we have been too complacent in the face of nothing less than a crisis facing our children and families.

The debate about media concentration is fundamentally about priorities. As we solicited the views of citizens across the country, we did not hear a clamor for relaxation of the cross ownership rules. We only hear that from media company lobbyists inside the Beltway. The public is concerned about the lack of responsiveness of their media outlets to local communities, artists, civic and cultural affairs and family programming. They are concerned that people of color and women are stereotyped, misrepresented or underrepresented. They are furious about the level of sexual, violent and degrading material they are seeing and believe media consolidation has something to do with it. And they want us to address the public interest obligations of broadcasters first.

That is why I have insisted that we first address and implement improvements to localism and diversity of ownership before – not after – we address the media ownership rules. Like this Committee, I have called for an independent, bipartisan panel to guide us on a course to implement improvements in the level of ownership of media outlets by women and minorities. Many members of Congress and leading civil rights organizations have joined that call. And I have demanded, along with many members of Congress, including this Committee, that we finalize the Localism Report and implement real improvements in the responsiveness of media outlets to local concerns first.

Rather than take this in order, address these lingering crises first, the Commission seems to be moving forward obsessively to allow more consolidation, notwithstanding congressional and public concern. That would be a mistake. It is not too late for us to achieve a bipartisan agreement on a reasonable process to finalize the media ownership proceeding that addresses the many concerns raised by the public, leading consumer advocates and this Committee. I will work with all of my colleagues to achieve that goal.

DTV Transition

As we focus today on the public's access to their media -- their airwaves -- it is also critical that the FCC show far greater leadership on a potential disaster that is the DTV transition. As the Government Accountability Office (GAO) has noted, there is nobody in charge of the transition and there is no plan. We still have time to turn this around, but only if we increase the level of leadership, coordination and resources dedicated to this undertaking. The ongoing leadership of this Committee has been and will continue to be extremely helpful in focusing our efforts.

The GAO reiterated this week the need for us to establish a strategic plan. As I have testified before this Committee, I believe we need a national DTV outreach, education and implementation plan that coordinates the efforts and messages of all stakeholders. Here are some next steps that I believe we need to take, immediately, to get on the path of reaching and educating people in the more than 111 million U.S television households.

Create Federal DTV Transition Task Force. It is long overdue for the FCC, NTIA and other relevant federal agencies to formalize their relationship and develop a Federal DTV Transition Task Force with representation from the leadership of each agency. The GAO has said that the FCC has the authority to establish a task force under the Federal Advisory Committee Act. This multi-agency task force would develop benchmarks and a timeline to achieve nationwide awareness of the DTV transition. And, it would be accountable to Congress. The private sector has established a coordinating mechanism through the DTV Transition Coalition, and it is high time we do the same for the Federal government.

The task force would need staff. The FCC, for example, should detail staff to the task force from Consumer and Governmental Affairs, Media, Enforcement, and Public Safety and Homeland Security Bureaus, and the Offices of General Counsel and Engineering and Technology. With dedicated staff from different agencies, the task force

would also serve as the clearinghouse for all things related to the DTV transition national campaign and for coordinating this network of networks. The aging and disabilities communities, for example, would have access to financial and human resources to assist these at-risk groups in making the transition. The task force would be able to coordinate with public and private partners, leverage existing resources and develop a single unified federal message, such as developing and using common terminology to describe the digital-to-analog converter box program and other DTV technology. In addition to coordinating government efforts at all levels – including state, regional, local, and tribal governments – the task force can convene joint meetings with the private sector DTV Transition Coalition to ensure a coherent, consistent message across all channels. And it can help coordinate the many public-private assistance efforts needed for at-risk communities.

Launch a Targeted Grassroots Information and Technical Assistance Campaign. The task force, working with state, local and tribal governments, the DTV Transition Coalition partners, and community-based service providers, could target communities with the highest concentration of over-the-air viewers, including senior citizens, low-income, non-English speaking, rural populations and tribal communities. It can launch a coordinated grassroots campaign, which would include posting signs in supermarkets, retail stores, churches, social service organizations, all modes of public transportation and other public places. Many at-risk citizens will need help acquiring and hooking up their converter boxes, and it remains entirely unclear who is going to help them. If it is to be done through volunteers, it will take a vast effort to vet and train them.

No Federal agency currently has the mandate or resources to help people who can't themselves hook up the boxes to their TV sets. For example, while the FCC, the Administration on Aging and its allied aging network -- which includes state and local agencies, as well as community based service providers like Meals on Wheels -- have been in very early discussions about various grassroots efforts, no plan is in place. People with disabilities experience great difficulty accessing closed captions and video descriptions. A technical assistance program must be established soon, with timelines for training and outreach to ensure people who need help can get it.

While these steps may require some additional funding from Congress or a reallocation of funds already appropriated, first and foremost, dedicated leadership and focus are required from the FCC – the expert agency primarily responsible for the DTV transition.

Establish Much Needed Guidance for Broadcasters Soon. In addition to these outreach and education initiatives, the Commission must take steps to ensure that over-the-air viewers are not disenfranchised during or after the DTV transition, and that all full-power stations are prepared to cease analog transmission and operate in digital by the end of the transition on February 17th, 2009. Accordingly, I believe the Commission should: (1) complete the Third DTV Periodic Review as quickly as possible; and, (2) prepare a report to Congress on the status of the DTV transition on February 17, 2008 – one year before the hard deadline.

Because the law does not provide for any waivers or extension of time, February 17th, 2009 is indeed the last day that full-power broadcast stations will be allowed to transmit in analog. There are a total of 1,812 stations that will be serving the American people after the transition but, to date, only approximately 750 are considered to have fully completed construction of their digital facilities and are capable to broadcast in digital only in the final position from which they will broadcast. The remaining stations vary in levels of transition preparedness. Some stations need to construct their transmission facilities, change their antenna or tower location, or modify their transmission power or antenna height, while others may have to coordinate with other stations or resolve international coordination issues.

In the Third DTV Periodic Review, the Commission is contemplating rules to govern when stations may reduce or cease operation on their analog channel and begin operation on their digital channel during the DTV transition. The Commission also sought comment on how to ensure that broadcasters will complete construction of digital facilities in a timely and efficient manner that will reach viewers throughout their authorized service areas. These and other important questions, such as the deadlines by which stations must construct and operate their DTV channels or lose interference protection, should have been answered already. Broadcasters need to know the rules as they invest billions into this transition. We have lost valuable time focused on other more tangential aspects of the transition while not moving forward on clarifying urgent demands on broadcasters to get a huge job done in short order.

The Third DTV Periodic Review also proposed that every full-power broadcaster would file a form with the Commission that details the station's current status and future plans to meet the DTV transition deadline. While each individual form would be posted on the Commission's website, I believe it is just as important for the Commission, Congress and the public to get a comprehensive sense of where each full-power broadcast station is 12 month before the end of the transition. A report to Congress *one year* before the transition ends will provide both the broadcaster and the FCC sufficient time for any mid-course correction.

Universal Service

Universal service has been the bedrock telecommunications policy of the past seventy years. Indeed, Congress and the Commission recognized early on that the economic, social, and public health benefits of the telecommunications network are increased for all subscribers by the addition of each new subscriber. With a decade behind us since the 1996 Act, the FCC is re-examining almost every aspect of our federal universal service policies, from the way that we conduct contributions and distributions, to our administration and oversight of the fund. As we move forward on all these fronts, I will continue to work to preserve and advance the universal service programs as Congress intended.

To ensure continued success, we must remain committed to providing specific, predictable and sufficient support mechanisms based on equitable and non-discriminatory contributions. For that reason, I have supported recent Commission decisions to stabilize

the base of support for universal service. The Commission also continues to grapple with overarching questions about how our universal service contribution policies should evolve as we move into the broadband age and an age of bundled, flat-rated services. As we consider further changes to our contribution rules, I look forward to working with my colleagues to ensure that we take appropriate steps to ensure that universal service remains on solid footing. We must also ensure scarce funds are carefully targeted and the program is run in a fiscally responsible manner.

Having a stable base of support is so critical because our universal service support mechanisms play a vital role in meeting our commitment to connectivity, helping to maintain high levels of telephone penetration, particularly for those with low incomes and in hard-to-serve areas, and increasing access for our nation's schools and libraries. Earlier this year, I was pleased to help mark the 10th anniversary of the implementation of the Schools and Libraries program (E-Rate). With the help of the E-Rate program, the Internet access rate in our schools has jumped from only 14% in 1996 to 94%, today. Senator Rockefeller and Senator Snowe showed great foresight in anticipating the impact of the Internet on the way that our children learn and our communities connect. Ten years from its inception, we must capitalize on this success and continue to improve the program. The Commission has made a number of good decisions over the past year that should make the program work better, but there is more that we can do to ensure that our schools and libraries get the increased bandwidth they need to run the most cutting edge applications and software. Our nation's school children can not be relegated to yesterday's technology if they are to keep getting the tools they need to succeed.

Ensuring the vitality of universal service will be particularly important as technology continues to evolve. As voice, video, and data increasingly flow to homes and businesses over broadband platforms, voice is poised to become just one application over broadband networks. So, in this rapidly-evolving landscape, we must ensure that universal service evolves to promote advanced services, which is a priority that Congress made clear. The economic, public health, and social externalities associated with access to broadband networks will be far more important than the significant effects associated with the plain-old-telephone-service network, because broadband services will touch so many different aspects of our lives.

I note that the Federal-State Joint Board on Universal Service (Joint Board) recently released its recommendations on comprehensive reform of the high cost support mechanisms. While I am still reviewing these recommendations, I was pleased that the Joint Board encouraged the Commission to revise its list of services supported by Federal universal service to include broadband Internet access service. The Joint Board recommended that the Commission establish a Broadband Fund, tasked primarily with facilitating construction of facilities for new broadband services to unserved areas. The Joint Board also recognized the effectiveness of the current High Cost Loop Fund in supporting the capital costs of providing broadband-capable loop facilities for rural carriers. I look forward to carefully reviewing the Joint Board's recommendations, and I hope that the Commission will seek comment quickly on these proposals from a broad range of commenters.

I was also pleased to support the Commission's recent decision to expand the Federal Universal Service Rural Health Care program to include a pilot program to fund the construction of broadband infrastructure to connect rural health care providers. The telemedicine programs funded through the Rural Health Care program can have dramatic benefits for rural communities, and I have repeatedly supported efforts to improve the connectivity of rural health care providers. Without universal service, the high cost of telemedicine services might put them out of reach of many small communities. Yet, the Rural Health Care program has consistently been underutilized despite widely-varying levels of connectivity among rural health care providers. The adoption of a broadband pilot program has promise for increasing access to telemedicine facilities and I look forward to reviewing the results of that effort.

Finally, I believe that it is important that the Commission conduct its stewardship of universal service with the highest of standards. We must aggressively combat any evidence of waste, fraud and abuse.

Need for a National Broadband Strategy

Americans should have the opportunity to maximize their potential through communications, no matter where they live or what challenges they face. To achieve that ambitious goal, we must engage in a concerted and coordinated effort to restore our place as the world leader in telecommunications by making available to all our citizens affordable, true broadband, capable of carrying voice, data and video signals. An issue of this importance to our future warrants a comprehensive national broadband strategy that targets the needs of all Americans.

Right now, broadband is redefining the economic opportunities available to our communities and entrepreneurs. Broadband can connect businesses to millions of new distant potential customers, facilitate telecommuting, and increase productivity. Much of the economic growth we have experienced in the last decade is attributable to productivity increases that have arisen from advances in technology, particularly in telecommunications. These new connections increase the efficiency of existing business and create new jobs by allowing new businesses to emerge, and new developments such as remote business locations and call centers. The opportunities for rural areas that have seized the initiative are enormous.

Even as consumers are increasingly empowered to use broadband in newer, more creative ways, we are competing on a global stage. New telecommunications networks let people do jobs from anywhere in the world -- whether an office in downtown Manhattan, a home on the Mississippi Delta, or a call center in Bangalore, India. This trend should be a wake-up call for Americans to demand the highest quality communications systems across our nation, so that we can harness the full potential, productivity and efficiency of our own country. We must give all our towns the tools they need to compete in this new marketplace.

We have made progress, many providers are deeply committed, and there are positive lessons to draw on. Yet, I am increasingly concerned that we have failed to keep pace with our global competitors over the past few years. Each year, we slip further

down the regular rankings of broadband penetration. While some have protested the international broadband penetration rankings, the fact is the U.S. has dropped year-after-year. This downward trend and the lack of broadband value illustrate the sobering point that when it comes to giving our citizens affordable access to state-of-the-art communications, the U.S. has fallen behind its global competitors.

Some have argued that the reason we have fallen so far in the international broadband rankings is that we are a more rural country than many of those ahead of us. If that is the case, we should strengthen our efforts to address any rural challenges head-on.

I am concerned that the lack of a comprehensive broadband communications deployment plan is one of the reasons that the U.S. is increasingly falling further behind our global competitors. This must become a greater national priority for America than it is now. We need a strategy to prevent outsourcing of jobs overseas by promoting the ability of U.S. companies to “in-source” within our own borders.

Elements of a Strategy. A true broadband strategy should incorporate benchmarks, deployment timetables, and measurable thresholds to gauge our progress. We need to set ambitious goals and shoot for affordable, truly high-bandwidth broadband. We should start by updating our current anemic definition of high-speed of just 200 kbps in one direction to something more akin to what consumers receive in countries with which we compete, speeds that are magnitudes higher than our current definitions.

We must take a hard look at our successes and failures. We need much more reliable, specific data than the FCC currently compiles so that we can better ascertain our current problems and develop responsive solutions. The FCC should be able to give Congress and consumers a clear sense of the price per megabit, just as we all look to the price per gallon of gasoline as a key indicator of consumer welfare. Giving consumers reliable information by requiring public reporting of actual broadband speeds by providers would spur better service and enable the free market to function more effectively. Another important tool is better mapping of broadband availability, which would enable the public and private sectors to work together to target underserved areas.

I am grateful for the Senate Commerce Committee’s leadership on these issues and recognition of the importance of developing a more rigorous assessment of the broadband challenge. The “Broadband Data Improvement Act,” introduced by Chairman Inouye, and sponsored and supported by so many members of the Committee, would provide valuable tools for Congress, the Commission, and consumers in our joint efforts to increase access to truly affordable, high-speed broadband services. By directing the Commission to improve and expand its data collection efforts, by directing other federal agencies to focus on this great infrastructure priority, and by facilitating partnerships at the state and local level, this legislation would help us make great progress on this critical front.

We must also redouble our efforts to encourage broadband development by increasing incentives for investment, because we will rely on the private sector as the primary driver of growth. These efforts must take place across technologies, so that we

not only build on the traditional telephone and cable platforms, but also create opportunities for deployment of fiber-to-the-home, fixed and mobile wireless, broadband over power line, and satellite technologies. We must work to promote meaningful competition, as competition is the most effective driver of innovation, as well as lower prices. Only rational competition policies can ensure that the U.S. broadband market does not devolve into a stagnant duopoly, which is a serious concern given that cable and DSL providers now control approximately 96 percent of the residential broadband market. We must also work to preserve the open and neutral character that has been the hallmark of the Internet, in order to maximize its potential as a tool for economic opportunity, innovation, and so many forms of public participation. We also need to encourage and support the effort by the large incumbent local exchange carriers to deploy new systems capable of delivering high-quality video services.

One of the best opportunities for promoting broadband, and providing competition across the country, is in maximizing the potential of spectrum-based services. The Commission must do more to stay on top of the latest developments in spectrum technology and policy, working with both licensed and unlicensed spectrum. Spectrum is the lifeblood for much of this new communications landscape. The past several years have seen an explosion of new opportunities for consumers, like Wi-Fi, satellite-based technologies, and more advanced mobile services. We now have to be more creative with what I have described as “spectrum facilitation.” That means looking at all types of approaches – technical, economic or regulatory – to get spectrum into the hands of operators ready to serve consumers at the most local levels possible.

In January 2008, the Commission will commence its auction of the 700 MHz band, a potentially historic opportunity to facilitate the emergence of a “third” broadband platform. This is the biggest and most important auction we will see for many years to come. While the Commission recently adopted auction rules that reflect a compromise among many different competing interests, I am hopeful that there will be opportunities for a diverse group of licensees in the 700 MHz auction and that our more aggressive build-out requirements will benefit consumers across the country. We also put in place a new approach to spectrum management by adopting a meaningful, though not perfect, open access environment on a significant portion of the 700 MHz spectrum. This decision represents a good faith effort to establish an open access regime for devices and applications that will hopefully serve consumers well and create opportunities for small providers for many years to come.

There also is more Congress can do, outside of the purview of the FCC, such as providing adequate funding for Rural Utilities Service broadband loans and grants, and ensuring RUS properly targets those funds; establishing new grant programs supporting public-private partnerships that can identify strategies to spur deployment; providing tax incentives for companies that invest in broadband to underserved areas; devising better depreciation rules for capital investments in targeted telecommunications services; promoting the deployment of high speed Internet access to public housing units and redevelopment projects; investing in basic science research and development to spur further innovation in telecommunications technology; and improving math and science education so that we have the human resources to fuel continued growth, innovation and usage of advanced telecommunications services; and, of course, we need to make sure all

of our children have affordable access to their own computers to take full advantage of the many educational opportunities offered by broadband.

What is sorely needed is real leadership at all levels of government, working in partnership with the private sector, to restore our leadership in telecommunications. This Committee's attention to this issue is exactly the kind of effort that is needed. I also believe we need a National Summit on Broadband -- or a series of such summits -- mediated by the federal government, including Congress, the Executive Branch and independent agencies, state and local governments, and involving the private sector, which could focus the kind of attention that is needed to restore our place as the world leader in telecommunications.

Thank you for holding this critical hearing, and I look forward to working with you to make sure that American media remain the most vibrant in the world, that the DTV transition is a success for the American people, and that we continue to provide opportunities for all Americans to benefit from the most cutting edge communications tools available.