

**Statement of
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Chairman
Federal Communications Commission**

**Before the
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives**

**Hearing on
“Oversight of the Federal Communications Commission”**

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I. INTRODUCTION

Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee, I appreciate the opportunity to appear before you again regarding oversight of the Federal Communications Commission.

It has been about six months since we last were all together, and, befitting the fast-moving communications sector, much has happened since that time. Last December, I shared my guiding principles for how the Commission should approach the vast array of issues we face. These priorities – promoting economic growth and U.S. leadership; protecting the Network Compact; and ensuring networks work for everyone – are infused throughout the actions we have taken and the public interest-minded priorities we have set.

Thanks to a highly capable team of public servants at the Commission – including my fellow Commissioners Clyburn, Rosenworcel, Pai and O’Rielly - we have hit the ground running. I am very proud of our accomplishments over the past six months, and am eager to build on that progress going forward.

II. PROMOTING ECONOMIC GROWTH AND U.S. LEADERSHIP

Technological innovation, growth and national economic leadership have always been determined by our networks. Competition drives the benefits of those networks, and we have a responsibility to see the expansion of those networks, including the appropriate allocation of adequate amounts of spectrum.

A. Spectrum Policy

Consumer demand for mobile broadband is exploding. There are more connected mobile devices in the United States than people, and more than 60 percent of U.S. wireless subscribers now use data-hungry smartphones. With increased consumer demand comes increased demand for spectrum – a finite resource that is in short supply.

In the past six months, we have made considerable progress toward meeting this demand and making spectrum available for wireless broadband – from establishing the ground rules for the first-ever Incentive Auction, to promoting spectrum sharing, including allowing more unlicensed use. Underlying all of this work, as a baseline to how and why we do what we do, continues to be my favorite mantra: Competition, Competition, Competition.

Incentive Auction

Few FCC policies have generated as much attention as the upcoming Incentive Auction. Such attention is warranted. This first-in-the-world auction could revolutionize how spectrum is allocated. By marrying the economics of demand with the economics of current spectrum holders, the Incentive Auction will allow market forces to determine the highest and best use of spectrum, while providing a potentially game-changing financial opportunity to America's broadcasters.

Getting the Incentive Auction right will be a tremendous challenge. The Commission has to create a marketplace that enables us to buy spectrum, re-band it, and then re-sell it, and to do these three things simultaneously. I've likened the auction to a Rubik's Cube, with a big difference being that you can't pull up a How-To-Solve-The-Incentive-Auction video on YouTube.

The FCC staff has been working tirelessly to design the auction ever since Congress authorized it in February 2012. Last week, the Commission adopted a Report and Order that set out the ground rules for the auction.

The Commission will make additional decisions to implement details pertaining to the Incentive Auction in the coming months as we prepare for this historic auction in mid-2015. But reaching this stage is a major accomplishment, and was only possible thanks to the outstanding work of public servants from across the FCC.

I am also committed to taking actions to encourage broadcaster participation, which is essential to the auction's success, including providing more information about the auction timeline and potential opening bid amounts.

Mobile Spectrum Holdings

The Commission is not only committed to making available more spectrum for mobile broadband, it is also committed to promoting competition in the mobile marketplace. That's why, in conjunction with the launch of our Incentive Auction rulemaking in September 2012, the Commission initiated a proceeding to update our mobile spectrum holdings policies. Last week, the Commission adopted a reasonable, balanced Report and Order updating those policies to ensure a healthy mobile marketplace with clear rules of the road for spectrum aggregation. In particular, the Order will help ensure competitive access to "low-band" spectrum that we will make available in the Incentive Auction, which is better suited for transmitting wireless communications over long distances and through walls.

Our new approach to mobile spectrum holdings is pro-consumer and aimed at fostering a competitive marketplace with many providers capable of offering Americans a choice of comparable services no matter where they live. Our approach is pro-innovation and investment, offering wireless providers additional certainty about the rules of the road. And our approach is pro-public safety – waiving the spectrum aggregation screen when carriers partner with FirstNet and ensuring that our public safety broadband network will be fully funded.

H Block

One of the most notable developments of the past six months is that the spectrum pipeline has re-opened. In February, the Commission concluded its first major auction of mobile broadband spectrum since 2008, repurposing 10 MHz in the so-called H-Block. The Commission succeeded in putting this spectrum to work in the marketplace and raised more than \$1.5 billion, much of which will be put to use toward the deployment of FirstNet’s nationwide public safety broadband network. I applaud Commissioner Clyburn for her wisdom and leadership in scheduling this auction for January 2014 and the FCC staff for their successful execution.

AWS-3 Auction

This March, the Commission adopted a Report and Order establishing service rules for AWS-3, which moves us closer to holding an auction for 65 megahertz of spectrum in November. Yesterday, the Wireless Bureau released a Public Notice setting the start date and proposing the reserve price for the auction. This auction represents a step forward in spectrum policy. Some of the spectrum being auctioned is already available in the Commission’s inventory. But 40 megahertz of the spectrum to be auctioned is used nearly exclusively by federal agencies today.

A long, candid and purposeful discussion among federal and commercial users about how to enhance spectrum efficiency through both clearing and sharing has brought us to this point. I commend NTIA, DOD, DOJ, and the White House for their leadership in enabling commercial use of the 1755-1780 MHz band. NOAA has shown important leadership through its efforts to help make the 1695-1710 MHz band available for commercial use. And I commend the Members of this Subcommittee for your leadership, including your convening of informal roundtable meetings, which have been instrumental in keeping our collective efforts focused on encouraging communication, overcoming obstacles and achieving real results.

Unlicensed Use (5 GHz)

The Commission is working to make available not only licensed spectrum, but unlicensed spectrum, which has enabled breakthrough innovations like Wi-Fi and Bluetooth.

In March, the Commission adopted an order to take 100 MHz of unlicensed spectrum at 5 GHz that was barely usable – and not usable at all outdoors – and transform it into spectrum that is fully usable for Wi-Fi. This is a big win for consumers who will be able to enjoy faster connections and less congestion, as more spectrum will be available to handle Wi-Fi traffic.

As contemplated by the Middle Class Tax Relief and Job Creation Act, the Incentive Auction Report and Order adopted rules to permit unlicensed use of technically reasonable guard bands required to protect licensed services in the new 600 MHz band, in addition to Channel 37 and remaining TV White Spaces. This action will make available a significant amount of low-band spectrum for unlicensed use, much of it on a consistent, nationwide basis.

We are actively participating in ongoing efforts with the Department of Transportation and industry to resolve technical issues in the ITS band currently used for vehicle-to-vehicle communications and with the Defense Department to resolve issues in a band used for military radar. Resolving these issues could make 195 MHz of spectrum available for broadband. We hope and expect parties to engage productively, and we will be watching closely.

Citizen's Broadband Service (3.5 GHz)

Incentive auctions are not the only game-changing spectrum policy innovation being advanced by the Commission; spectrum sharing has similar potential to transform spectrum management. Last month, the Commission took another significant step toward turning the spectrum sharing concept into reality, adopting a Further Notice of Proposed Rulemaking to enable innovative spectrum sharing techniques in the 3.5 GHz band. Our three-tiered spectrum access model, which includes federal and non-federal incumbents, priority access licensees, and general authorized access users, could make up to 150 MHz of spectrum available for wireless broadband use

B. Broadband Investment and Competition

The private sector must play the leading role in extending broadband networks to every American. That's why the FCC is committed to removing barriers to investment and to lowering the costs of broadband build-out. Google has developed a checklist for cities that want to participate in their Google Fiber project of steps that can be taken to ensure easier access to existing infrastructure and to make construction speedier and more predictable. The FCC should be asking similar questions about our own rules, cutting red tape wherever possible.

Promoting competition is another critical tool for spurring investment in broadband infrastructure. For many parts of the communications sector, there hasn't been as much competition as consumers and innovation deserve. Given the high fixed costs and consequent scale economies, this isn't especially surprising. But that makes it all the more important that we knock down existing barriers to competition and avoid erecting new ones. We must use all the tools at our disposal to encourage competition wherever it is possible. One place where it may be possible to encourage competition is municipally-owned broadband systems. I understand that the experience with community broadband is mixed, that there have been both successes and failures. But if municipal governments want to pursue it, they shouldn't be inhibited by state laws that have been adopted at the behest of incumbent providers looking to limit competition. I believe the FCC has the power – and I intend to ask the Commission to exercise that power – to preempt state laws that ban competition from community broadband.

III. PROTECTING THE NETWORK COMPACT

Changes in technology may occasion reviews of our rules, but they do not change the rights of users or the responsibilities of network providers. This civil bond between network providers and users has always had five components: access, consumer protection, interconnection, public safety and national security. The Commission must protect the Network Compact.

A. Universal Service

Universal service and accessibility are two cornerstones of the FCC's mission. Considering that access to broadband is increasingly necessary for full participation in our economy and democracy, this goal is more important than ever. Our universal service programs remain essential to ensuring consumers have access to technology – whether that's at the home, at work, in schools or libraries, or when seeking assistance from a rural healthcare clinic. The Commission must ensure that our programs keep up with the changing technologies, are well-managed and efficient, while limiting waste, fraud and abuse. And we must of course make sure that the infrastructure supported by the Commission is available to ALL, including low-income Americans, individuals living on Tribal lands, and individuals with disabilities. What most of us take for granted on a daily basis, should be available to all.

Supporting Infrastructure in Rural America – Connect America Fund (CAF)

While the private sector must play the leading role in extending broadband networks to every American, there are some areas where it doesn't make financial sense for private companies to build. That's why the Commission modernized our Universal Service Fund to focus on broadband, establishing the Connect America Fund. Already, the Connect America Fund has made investments that will make broadband available to 1.6 million unserved Americans.

Just last month, the Commission voted to move forward with Phase II of the Connect America Fund. In addition to the great work of the Wireline Competition Bureau in finalizing the Connect America Fund cost model, the Commission decided a number of outstanding issues to enable the Commission to move forward later this year with CAF Phase II. The result will be another 5 million Americans getting access to broadband for the first time. Recognizing that broadband speeds offered to consumers in urban areas continue to increase, one open issue we are going to look at is whether we should increase the minimum downstream speed requirement for those entities that receive Connect America support. The statute requires rural Americans to have access to services that are reasonably comparable to services in urban areas. I am cognizant of the fact that we must make sure that we do not stand idly by and allow a new digital divide to open up in rural America as urban and suburban areas increasingly gain access to gigabit connections.

The Commission's action last month also took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. First, as I promised I would do in this same seat last December, we eliminated the Quantile Regression Analysis

(QRA) benchmarks rule because it was not serving its intended purpose. Second, in a Further Notice of Proposed Rulemaking, we proposed to establish a Connect America Fund for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program.

Related to the actions taken in April, I am also pleased to report that in January the FCC initiated an experiment to inform our policies to build next-generation networks in rural America. We invited American enterprises, communities and groups to tell the FCC whether there is interest in constructing high bandwidth networks in high cost areas, and to tell us how it could be done. We issued an invitation, and the response has been astounding. To date, we have received more than 1,000 expressions of interest from all parts of the country. Proposals have come from rural telephone companies, from rural electric co-ops, from cable and wireless service providers, from Tribal entities, from communities, and more. The proposals are varied, and geographically and technologically diverse, yet all have a common theme. They are expressions of a desire to deliver better, more robust Internet access service; to deliver faster speeds to communities in rural areas. Later this summer we intend to establish a budget and selection criteria, and to invite formal rural broadband experiment proposals which will be very informative as the Commission moves forward with efforts to connect all Americans to robust broadband networks.

IP Transition

The move from the circuit-switched networks of Alexander Graham Bell to the new networks of the Internet Revolution is all around us – with expanded deployment of fiber, with new forms of wireless, with bonded copper and coaxial cable. These transitions – plural – are a good thing because IP networks are more efficient, which can enable better products, lower prices, and massive benefits for consumers.

But so far, the transitions are all about the voluntary adoption of new supplemental services. Now, America's largest telecommunications providers have said that they want to engage in a very different kind of transition – they want to turn off their legacy networks. This is a momentous pivot point in the history of our networks. We want providers to deploy next generation networks, and we want consumers to be able to enjoy the benefits of those next generation networks. The best way to make sure that happens is to protect the core values that have defined the relationship between network operators and those who use the networks – competition, consumer protection, public safety and national security, and universal access. Protecting and promoting those values is the surest path to successful transitions.

With that in mind, this past January, the Commission unanimously adopted an Order inviting service providers to propose voluntary experiments designed to assess how the transition to IP impacts network users and initiating targeted experiments. We have already begun receiving submissions for experiments, which are important steps in the Commission's effort to determine how the IP transition can be conducted in a manner that preserves the enduring values. We are examining those submissions and working with the providers that filed them to make sure that these experiments will provide useful data to help inform our decision-making.

B. Consumer Protection

The “public interest” is what we always refer to when discussing why the Commission does what it does. As I have said before, I view my role as Chairman to be an advocate for the American people as we work to achieve the goals I have outlined above. I have often stated that the best consumer protection is competitive choice. I also believe a multi-stakeholder process where industry rapidly adopts processes and procedures can be faster and more nimble than the regulatory process. But, at certain points, having regulation is necessary.

Protecting and Preserving the Open Internet

For over a decade, the Commission has struggled with the idea of net neutrality. There has been a bipartisan consensus, starting under the Bush Administration with Chairman Powell, on the importance of an open Internet to economic growth, investment, and innovation. But today we do not have any rules in place to protect the open Internet. In January, the U.S. Court of Appeals for the D.C. Circuit ruled that the Commission has the legal authority under Section 706 of the Telecommunications Act of 1996 to craft enforceable rules to preserve a free and open Internet as a level-playing field for all Americans. I immediately set the Commission on a path to do just that, committing to putting in place enforceable rules by the end of the year. And in April, I circulated specific proposals to my fellow Commissioners in a Notice of Proposed Rulemaking.

Last week, the Commission adopted that Notice of Proposed Rulemaking, beginning the process of crafting rules to protect and promote the open Internet. The focus of the proposals we put forward and the questions we ask in this Notice is on maintaining a broadly available, fast and robust Internet that serves as a platform for economic growth, investment, innovation, free expression, and competition. I believe that the Section 706 framework set forth by the Court of Appeals in *Verizon* is sufficient to give us the authority to adopt and implement robust rules that will accomplish this goal. At the same time, the Notice we adopted asks whether the best path forward is under Title II. The entire purpose of an NPRM is to give Americans the ability to express themselves and provide analysis and guidance.

I look forward to a broad and thoughtful debate on the record. We have specifically created a means by which Americans who may not otherwise participate in an FCC proceeding can make their voice heard through our new Open Internet email address: openinternet@fcc.gov. And to ensure sufficient opportunity for broad public comment, we have provided for a comment and reply period that will give everyone an opportunity to participate.

Cell Phone Unlocking

Consumers who fulfill the obligations of their mobile phone contracts should be able to take device to a network of their choosing without fear of criminal liability. In December, the FCC secured an industry commitment to adopt voluntary industry principles for consumers’ unlocking of mobile phones and tablets. The voluntary agreement sets out six unlocking principles regarding postpaid and prepaid devices, transparency, notice to consumers, response

time and deployed military personnel. We will continue to monitor to ensure that agreement terms are being met for consumers.

This voluntary deal is an excellent example of what I call the “regulatory see-saw:” the more industry acts to meaningfully regulate itself, the less that has to be done by FCC.

Cell Phone Kill Switch

Mobile devices today offer amazing opportunities – the iPhone in my pocket has more computing power than the lunar module that got our astronauts to the moon. But these devices are also increasingly a target for criminals, creating a risk not just to property, but to physical well-being. Consider, for example, that 50 percent of all robberies in San Francisco involve the theft of smart phones, and a quarter of all robberies involving cell phones in San Francisco involve guns and knives.

In 2012, Chairman Genachowski launched the PROTECTS Initiative, a series of practical, meaningful solutions to discourage cell phone theft by preventing re-use. Last month, CTIA announced the Smartphone Anti-Theft Voluntary Commitment. Under this commitment the nation’s largest wireless carriers agreed to offer a free anti-theft tool that is preloaded or downloadable to devices. These are constructive steps that should help, but we need to do more.

Deterring thefts of mobile devices is a multi-faceted challenge that requires close coordination with law enforcement, carriers, handset manufacturers, consumers, resellers, and the international community. For this reason, next month we will be convening a workshop at the FCC to discuss real, practical consumer-oriented technical solutions that build on the FCC’s previous efforts and the recent CTIA anti-theft commitments. Working together, I am confident we can solve this problem.

C. Public Safety

Public Safety is one of the primary and essential missions of the Commission, and it cannot be left behind in this technological revolution. Consumers rightfully expect to be able to reach emergency responders, and those responders need to be able to locate those in need, as well as be able to communicate between themselves. The Commission has taken steps toward these goals.

Text-to-911

In certain circumstances, such as domestic violence or kidnapping situations, texting 911 may be the only practical way to get help. In almost all circumstances for people who are deaf or hard-of-hearing, texting is the primary means for reaching out for emergency assistance. But, as hard as it may be to believe in 2014, most Americans still can’t reach 911 via text.

This January, the Commission adopted a policy statement that all text providers should support text-to-911, and a Further Notice that proposes that this be accomplished by the end of 2014. The Further Notice includes proposals that would allow industry voluntary agreements to

fit into rules in order to keep regulatory action in this area at a minimum. To that end, I am heartened by the fact that the four nationwide wireless carriers recently reported that they have met their commitment to be ready to deliver text-to-911 to any requesting PSAP within their service territories. But we still need to be ready to act if others in the marketplace fail to deliver on this critical public safety effort, and our proposal gives us the flexibility to do just that.

E-911/Location Accuracy

Our E911 location accuracy rules were written when wireless phones were a secondary means of communication, and were mostly used outside. Today, more and more consumers use wireless phones as their primary means of communication, and more and more 911 calls are coming from wireless phones, from indoors. In February, the Commission adopted a Further Notice of Proposed Rulemaking to modify our E-911 location accuracy rules to reflect the new realities of the ever-increasing mobile world.

The proposals are simple – when wireless customers call 911, the location information delivered to the PSAPs must be delivered to the PSAP as accurately and expeditiously as possible regardless of whether the call is made from inside a 50-story high-rise or outside at a public park. Consumers already have that expectation when it comes to the commercial apps they use every day – if Google Maps can find them in a mall within a couple of meters, 911 should be able to find them, too. I look forward to reviewing the record that is generated by this Notice, and moving quickly to adopt rules.

IV. MAKING NETWORKS WORK FOR EVERYONE

The value of our communications networks come from what they enable. How networks enable a 21st century educational system, enable the expansion of capabilities for Americans with disabilities, and promote diversity, localism and speech are basic underpinnings of the FCC's responsibilities.

A. E-Rate Modernization

E-rate has been a very successful program for almost twenty years, connecting nearly all schools to the Internet. But it's time to modernize the program. The nature of connectivity in schools and libraries has changed dramatically in recent years. What was once provided through a 33.6K dial-up modem now demands high-speed broadband and in-class WiFi. Yet despite the clear need for speed, only about half of the E-rate's funds today go for broadband connectivity. And far less than half of E-rate funds is used for the kind of 100 mbps and higher speeds necessary for today's learning environment. Most disturbing in an era when WiFi is at every burger joint and coffee shop, is how the E-rate program is not helping to put WiFi in all classrooms.

Technology has changed; the needs of schools and libraries have changed; how E-Rate funds are distributed, however, has not. We are in the midst of a rulemaking to address and correct this reality, with a focus on three proposed program goals: (1) ensuring that schools and libraries have affordable access to modern broadband technologies that support today's digital

learning tools and techniques; (2) ensuring E-Rate funds are distributed more equitably and cost-effectively; and (3) streamlining the administration of the E-rate program. While the details of E-rate modernization remain in flux, the goals are clear. For modernization to be successful, the updated program must be:

- Focused on delivering faster -speeds to schools and libraries and WiFi throughout;
- Predictably funded and future-proofed;
- Fiscally responsible and fact-based; and
- Friendly to use.

The Commission is currently developing an order to modernize the program consistent with these goals. As the Commission prepares to take such action, I am pleased to report that steps have already been taken by Commission staff to speed the E-rate application review process. Our streamlining efforts have already yielded E-rate funding commitments for Funding Year 2014 that are four times as much as our first commitment wave last year. Even more importantly, these commitments include over \$400 million in funding for broadband requests. That's six times more broadband funding than we had processed at this point last year. Put another way: over \$350 million in additional early broadband funding. These funding commitments are going to allow schools and libraries across the country to bring higher speeds to their students and patrons beginning July 1.

B. Accessibility

Closed Captioning Quality Standards

Reliable and consistent access to news and information for deaf and hard-of-hearing communities is not a luxury, it is a right. In February, the Commission adopted rules in February to provide standards for better quality closed captioning on TV programming. Members of the deaf and hard-of-hearing community, alongside industry—NCTA, NAB, and MPAA—stepped up to the plate to help craft a set of rules that moves us toward improving captioning quality, while also assuring that vital news and other types of programming provide captioning. This is a good example of not only the value of public-private collaboration, but also how FCC actions directly impact the lives of Americans living with disabilities.

C. Media Ownership

Promoting competition, localism, and diversity within the media marketplace is a centerpiece of our democracy. For many years, the Commission has applied limits on ownership concentration in order to achieve these goals. I am committed to ensuring that the Commission has the data that we need in this evolving marketplace to ensure those limits are appropriate and well-placed. Having said that, we have an on-going responsibility to enforce our rules, including to close loopholes and to ensure that those who play by the rules are not disadvantaged.

Quadrennial Review

This March, the Commission initiated the quadrennial review of its media ownership rules to determine if they need to be modified to serve the public interest, building on a record it has amassed over the years. I am committed to completing this review and having final recommendations by June 2016.

Past reviews have resulted in court remands, and the Commission is exploring how best to craft rules that can survive judicial review. We are also reviewing diversity issues to see how best we can promote a diversity of voices, including women and minorities. We have also invited comment on elimination of the existing radio-TV cross-ownership rule; and modification of the existing Newspaper-Broadcast Cross-Ownership prohibition.

Joint Sales Agreements

While our quadrennial review is underway, our existing rules remain in place. In March, the Commission closed a loophole in our attribution rules for TV Joint Sales Agreements (JSAs) that had been exploited by some to circumvent our local TV ownership limitation. By prohibiting arrangements that have the full effect of common ownership – by stations' own admission in their SEC filings – we will protect viewpoint diversity and competition goals. We have also been clear to point out, however, that where we find that an agreement serves the public interest, we will waive our rule and do so through an expedited process. We recognize the Subcommittee's particular interest in ensuring that broadcasters found to be out of compliance with our rules have sufficient time to unwind the arrangements, and we look forward to working with you as these rules go into effect. I would also note that the new rules apply only to JSAs, not Shared Services Agreements (SSAs). The Commission sought additional comment on how to define SSAs and whether to require disclosure.

Retransmission Consent

Congress created the retransmission consent regime over 20 years ago. Since that time, we have witnessed significant changes in the marketplace and been able to observe how parties have operated in the process, while cable prices have steadily risen. Congress intended TV stations would negotiate retransmission consent agreements on their own. Increasingly, though, stations in a local market that are separately owned have banded together to negotiate for retransmission consent fees, even though they otherwise would compete against each other for those fees.

In March, the Commission adopted new rules to prohibit joint retransmission consent negotiations by same market TV stations that are both ranked in the Top 4 in order to level the playing field and to potentially keep such agreements from unfairly increasing cable rates for consumers. I recognize that the Subcommittee has taken similar action as part of the STELA reauthorization process, and appreciate your support for these common sense reforms.

V. PROMOTING OPERATIONAL EXCELLENCE

I will close with the topic that I started with back in December, because it remains a priority – to both you on this Subcommittee, and to me personally – not to mention that all of which I have mentioned above relies on it: Process Reform. In order to keep up with the rapid pace of change in the industries that we oversee, we must hold ourselves to a high standard to be as agile, efficient, and transparent as possible.

In January, a Staff Working Group presented a Process Reform Report to the Commission as an important first step, and we sought comment from the public on the recommendations that were identified within that Report.

As we review the record developed, we are moving forward with changes to streamline how the Commission functions so we are better able to serve the entities we regulate, as well as the American public. Some of the more visible activities include the use of a Consent Agenda at Commission meetings to facilitate quick action on non-controversial items that require a Commission vote, a shift to all-electronic distribution of documents, and the elimination and modification of outdated rules. Addressing some of the other recommendations involve more time and resources – such as streamlining license processing and reworking our consumer complaint process. In particular, we need to upgrade our IT infrastructure; we have more than 200 relic IT systems that are costing the agency more to service than they would to replace over the long term. But I believe these investments are essential and will payback in dividends with the increased efficiency gained.

VI. CONCLUSION

Again, thank you for having me here today. As I noted in December, my goal is to have an open and productive relationship with the Subcommittee members as we work together to address the challenges – and opportunities – in the 21st Century telecommunications and communications marketplaces.