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**The Free State Foundation's
NINTH ANNUAL TELECOM POLICY
CONFERENCE**

**"A NEW DIRECTION FOR COMMUNICATIONS
POLICY: LESS REGULATION, MORE INVESTMENT
AND INNOVATION"**

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“All-Star Panel: The Challenges and Opportunities Ahead”

MODERATOR:

Randolph May – President, The Free State Foundation

PARTICIPANTS:

Meredith Baker – President and CEO, CITA

David Cohen – Senior Executive Vice President, Comcast Corporation

Kim Kennan – President and CEO, Multicultural Media, Telecom and Internet Council (MMTC)

Blair Levin – Nonresident Senior Fellow, Brookings Institution

Robert Quinn – Senior Executive Vice President, External and Legislative Affairs, AT&T

* This transcript has been edited for purposes of correcting obvious syntax, grammar, and punctuation errors, and eliminating redundancy in order to make it more easily readable. None of the meaning was changed in doing so.

P R O C E E D I N G S

MR. MAY: So we are going to get started now. Again, I think that was a terrific session to get the conference started talking about regulation more generally. As I said in my welcome, I think throughout the day we are going to hear a lot about "net neutrality" or "Restoring Internet Freedom" or the "Open Internet Proceeding," whatever name any of you prefer to call that proceeding by. And we did hear a little bit during the previous session.

So I just call this the All-Stars Panel. I'm not sure I came up with another name. I don't think there's necessarily a better one. Because we do have a group of all-stars here, and we're going to be digging in, I'm certain, to communications, law, and policy issues.

So what I want to do is just do brief introductions. As I said at the beginning, everyone here has the brochure, where we've got the full bios there. The brochure is also on the website, for those of you in our C-SPAN audience. Again, I want to welcome those of you in our C-SPAN audience. We are very pleased that C-SPAN

is covering the conference today.

What I am going to do is just introduce alphabetically our panelists. And I'm actually going to ask them to speak in that order. That's probably as good as any other order. Again, once again, Meredith Baker here finds herself in that fortunate spot, if she considers it so. I'm going to give you the brief version of their bios, maybe say something personal about each one, possibly. And, again, they have a lot more that you can read about in the official brochure.

So our first speaker is Meredith Baker. She joined CTIA as its President and CEO in June 2014. She previously served in the Bush Administration as the Acting Assistant Secretary of Commerce for Communications and Information, as well as the Acting Administrator of NTIA, the National Telecommunications Information Administration.

Now, while at NTIA, she did a lot of important things, of course. But one thing that Meredith did that now perhaps may be forgotten, but it's very important, she really is the person that facilitated and led the transition at that period to the digital television

format. And, you know, it was so easygoing that it made it seem as if it might not have been as difficult and as much work went into it as did. But that was very important. Of course, there were a lot of people that preceded Meredith to make that happen, but I always recall that because it was very important at the time.

The only other thing I will say about Meredith that I always like to point out, in case she forgets, is that she, upon becoming a commissioner, gave her maiden address at a Free State Foundation conference, which was nice enough. But she had to come back from South America and she came straight from the airport into another room here at the Press Club to deliver that speech. And it was a good one, as well. So I appreciate that.

So next after Meredith, we've got David Cohen. As almost all of you know, I'm sure, David is Senior Executive Vice President at Comcast Corporation, and he is the company's chief diversity officer. He has a broad portfolio of responsibilities, including corporate communications, government regulatory affairs, public affairs, legal affairs, corporate administration, and community investment.

I don't know what you do during the rest of your day --

(Laughter.)

MR. MAY: By the way, that calls to mind, when David was in law school, actually, he was known as "Chief Justice David Cohen." He and my brother were actually in law school together.

MR. COHEN: Not at Duke, for the record.

MR. MAY: No, not at Duke. But everyone makes mistakes.

(Laughter.)

MR. MAY: But David was "Chief Justice David Cohen." Now, my brother actually didn't tell me that; that's on Wikipedia, so you can take it for what it's worth. But anyway, it says that David -- he was known as "Chief Justice David Cohen," because of his intellect and because of his work ethic. You know, his responsibilities tell you something about his work ethic.

But also I do know from my brother, because they were partners in a law firm together, that David was the managing partner. And it was not unusual at all to get emails at 3:00 in the morning. That probably still

happens around Comcast, I suppose. But that goes to his work ethic.

So David, we are glad to have you with us, as well.

Next is Kim Keenan. This is the first time that Kim has been with us. Kim is CEO of the Mulicultural Media Telecom and Internet Council, otherwise known as MMTC. Kim, what I would say to you, because I don't know much about your law school career, I know Kim is also a former general counsel of the NAACP. But what I want to say to Kim is that over the years, we've always -- or for many of our conferences -- we've had one of your predecessors from MMTC with us and, you know, even before the name was changed. Thankfully, the acronym remained the same.

But I've always thought it was important for our purposes here to have the perspective of MMTC, so I am glad you are with us here today as well.

So next we've got Blair Levin. Blair is Nonresident Senior Fellow with the Metropolitan Policy Program at the Brookings Institution, and he serves as Executive Director of Gig.U. I guess that's his

university affiliation, Gig.U.

You know, I mentioned that Howard Shelanski, when I introduced him this morning, I said that his position is often referred to as the regulatory czar. Well, Blair, as you know, was head of the National Broadband Plan, in developing it. I know he always points out it was a team effort, which I know it was. But he was a leader and some of us thought of him at the time as the broadband czar.

The only other thing I would say about Blair is that we are old friends. I mean, we're both old, but we're also friends.

(Laughter.)

MR. MAY: And I know that we've got different views about a lot of the issues we're going to discuss --

MR. LEVIN: Mostly about Carolina and Duke.

MR. MAY: Yeah. But we have a lot of common views as well. And I know sometimes we say to ourselves, just dreaming, that if we were the communications czars and were writing a new communications act or something, that maybe he and I could do it together and come up with a half-way decent act. So I'm glad you're with us today.

And then last but not least, of course, down

there is Bob Quinn. Bob is Senior Executive Vice President, External and Legislative Affairs, at AT&T. He is responsible for AT&T's public policy organization and Chairman of the AT&T Foundation. He has been with AT&T for a long time. He steps into the shoes of Jim Cicconi, or follows Jim Cicconi, who we had the pleasure of having with us on many occasions and it's a pleasure that you're here, as well, Bob.

So now what we're going to do, the way we're going to conduct this session, is I've asked each of our panelists to just take three minutes initially to give us their perspective on what ought to be the FCC's priorities or Congress's priorities with communications, law, and policy. I know that's fairly broad and, regardless of what I would have directed them, sometimes they talk about what they want to. But I am going to enforce this three-minute limit, and that's going to give us a basis, I'm absolutely certain, to have a good exchange back and forth. I know I've got questions. We're going to try and save some time for questions from the audience and have an informative and, I think, interesting discussion here with these all-stars.

So, Ms. Baker, why don't you start us off? Three minutes.

MS. BAKER: Thank you, Randy. It is a pleasure to be here with this esteemed panel on this auspicious day at this great event. It's my birthday, so I'm only going to answer questions that I want to.

(Applause.)

MS. BAKER: So I think we're going to hear a lot about net neutrality and privacy and so I'm not going to start there. I think there's a lot of -- I think we're closer than a lot of people think we are. But I'm going to start off with my opening remarks in a different place.

I don't know how many of you saw this article in the *Wall Street Journal*, it was about, I don't know, 10 days or so ago, and it's talking about the consumer price index falling, surprisingly, last year from April to April. And nearly half of that decline was traced to wireless telephone services.

So think about that, a slowdown of inflation was caused by smartphone price decline. Our consumer bills went down 12.9 percent because of competition last year.

I think that's remarkable for two reasons. I

think that the size of the wireless industry to affect the economy is interesting and important. And I also think that the fact that the power of competition to save Americans money is also important.

Now, that power of competition is also driving the market in wireless to do the next thing which is 5G. We've heard a lot about 5G networks. So what I want to do with my opening remarks is talk about what 5G is, about what impact 5G is going to have on our lives, and then talk about what policies we need to have to get there. Sorry about the odd view over here.

Okay, so what is 5G? I think that we've heard that the speed is going to be remarkable. It's 100 times the speeds that we have today. That's home broadband speeds. The scale. The scale is going to be connecting everything everywhere. I kind of had an "aha!" moment when I was at Intel and I looked at their prototype autonomous car. It had 200 sensors on it and five HD cameras. Now, we talk a lot about vehicle to vehicle but we're really not talking vehicle to vehicle. We're talking vehicle to neighborhood and that's a lot of data that our 4G networks could not handle. So that is a

reason why we're building these 5G networks.

But the really transformative thing, I think, about 5G is the real-time effect of it. There is virtually no lag time in 5G. And what that can do in its applications in health care with remote surgeries or in transportation, energy savings, education. I like to say that we're only limited by our imagination by what 5G can do.

So what is it going to impact? Accenture tells us it's going to bring 3 million new jobs. That means one in every hundred Americans is going to be employed by our industries, and that's not even talking about the verticals. It's going to add 500 billion to our economy. If we get the policy right.

So what do we need to do to get the policies right? In the last 30 years, the wireless industry built 150,000 towers. We need to double that in small cells growth for the next few years. And to do that, to build these new networks for 5G, we need new rules, and that includes siting. And when I talk about siting, I'm talking about at every level, we need to have access. We need to have affordable access. And we need to streamline

the process.

We're going to need more spectrum. There's nothing in the pipeline right now. We're going to need low-, mid- and high-band spectrum, and it needs to be internationally harmonized.

And we need broadband policies that are going to incent this investment. It's going to take \$275 billion to build out these 5G networks. We need policies that incent that.

This is a global race. And the consequences of us losing our jobs will affect our entire economy. There are trials now here in the United States. There are trials all over the world. We won the race in 4G and we need to in 5G.

MR. MAY: Okay. Thank you, Meredith.

David, please?

MR. COHEN: Great. Thanks very much, Randy, and it's a pleasure to be here. I always appreciate it when you ask us to distill the complex communications policy issues that you wrestle with on a day-in-day-out basis to three minutes. You would never hold yourself to that standard.

(Laughter.)

MR. COHEN: But maybe between the five of us in 15 minutes, we can hope to cover some of the breadth of communications policy issues that I think are on the top of the pile, if you will, for the next couple years.

MR. MAY: You've got about two minutes and 30 seconds left now.

(Laughter.)

MR. COHEN: I got it.

So I'm going to focus on two higher level policies. I think I look at our current Internet ecosystem. I think it's the envy of the world. I don't think there's any country, any continent anywhere else on the planet that has been able to develop the Internet ecosystem that we have in the United States, and I think it's pretty easy to understand why. It is because of a consistent, light regulatory touch that has been developed by Democratic and Republican administrations up until the last five years or so.

And so the number one priority I think for our company, for our industry, I think for everyone on this panel, and Meredith already alluded to it, is to figure

out how we keep the United States on the leading edge of innovation and investment for the Internet ecosystem.

The private sector has invested one and a half trillion dollars under the light regulatory touch to build out this broadband network. That is twice the per capita rate of private investment that has existed in Europe. And we have developed open and accessible networks and an open and accessible Internet, and I think it is absolutely crucial that we develop policies that will facilitate continued investment and continued innovation in that space.

It is very hard to look at any FCC decision or action, any FCC within the window of a news cycle or two, or even a year or two. But I think in the end, the legacy of the last five years of the Obama administration will be an unexplained, unnecessary retrenchment on a policy that indisputably was working, when it moved to reclassify broadband under Title II and absolutely undercut the United States' advantage for innovation and investment. And I think it's why our number one priority is to support the Chairman of the FCC in unraveling that reclassification of broadband, not in unraveling net

neutrality rules. No matter how many times the opponents of his actions say it, it doesn't make it true. Getting rid of Title II does not mean getting rid of net neutrality. The Chairman couldn't have been clearer, our industries couldn't have been clearer. And I'm not going to be any clearer today than to say you can support net neutrality rules, but you don't have to do that under Title II with all of the baggage that comes with Title II.

Which brings me to my second overall priority which is, once we have this Internet ecosystem that is the envy of the world, we have to make sure that it's available to everyone. And that's what universal broadband deployment and adoption is all about. I applaud the Chairman's focus on this. And whether it's through a combination of further buildout of wireline networks or technology, we need to figure out a way to get broadband to all of America. But let's remember, the numbers always matter here. There are about four times as many Americans who don't have access to the Internet today who have broadband built out in front of their homes already, as there are Americans who don't have broadband because the broadband plant has not yet been built out to them.

So we should never lose focus of both the deployment-related issues and the extent federal dollars and programs are going to be poured into that. We need to keep our eye on the ball of what we're trying to accomplish, which is to sign more people up for the Internet. Which means, those dollars should be devoted to unserved areas, not to so-called underserved areas, or we'll end up with what we ended up with BTOP, with lots of federal dollars going into a bucket where you can't even quantify how many additional Americans were signed up to the Internet as a result of \$6 billion of federal funds being expended.

But you also have to keep the focus on adoption. And these are great opportunities for public/private partnerships, a combination of federal programs like extension of Lifeline to broadband, and private sector programs like many of Meredith's companies have, like AT&T has, like Comcast has, to be able to provide broadband to low-income populations across the United States.

So I think if we keep our eye on those two overarching policies, we can make a lot of progress in the next year or two.

MR. MAY: David, thank you very much. So now we will turn to Kim Keenan.

MS. KEENAN: Okay, so I'm going to pick up where David left off, because that's what we do every day. I think it really -- people really need to hear that there are people who have broadband in front of their home but they don't have broadband. That there are communities, that there are tribal lands, that there are places in West Virginia. And, you know, this is an American issue. We spend so much time dividing ourselves and slicing ourselves. But if you have kids who live in a community where there's broadband around the corner or broadband at the library or broadband at the fast food place but they don't have access, effectively they're not just left behind, they're left in another place, because they don't have the opportunity to be a part of what is going to be a digital economy.

And, you know, we care a lot about ownership and diversity in this space. But we also care about making sure that every American is connected. And we spend so much time -- you know, when we talk about these topics, but all of this is lost. You know, you have all these

people saying, oh, you know, you're giving away something for free, or you're going to have a walled garden and they're only going to have a little bit of the Internet.

The truth is, if you let somebody in your garden, they're coming to your house. And we need to be focused on that. We need to never lose sight of the fact that we have Americans that don't have this.

I had the opportunity to go to Brussels for the RISE conference. And we do have a system that's the envy of the world. And we have to keep our eye on that, because we have to make sure that every American has this opportunity. Why? Because in 2020, there's going to be millions -- it used to be a million, but now it's millions of jobs in the digital space. Telehealth is going to be important. How you get your education is important.

If you've got a kid and they're not using the Internet to do their homework, I don't know who they're going to compete with in the future. Because everybody I know at every school I've ever talked to, you have to have this opportunity. So that's our number one priority. I care about that. However I pick on any of these issues, you're going to know that MMTC is thinking about the

people who don't have this and who will not be able to survive in a digital world.

And there are some less sexy issues, by the way. The prison phone issue, the notion that people would pay more to make a long-distance call because their loved one is in a jail and you have all these states that are appending all sorts of fees to it, I mean, that's not a popular issue. Why? Because that says a lot about who we are as Americans that we would charge families a tax on their pain. Why are we stripping their revenue for that, when it could go to broadband or something else?

And another thing I definitely want to mention in this, sort of these other things that people don't think about -- they're out here fighting about open neutrality. They're not thinking about multilingual emergency alert systems. You know, it's when there's going to be a next disaster, not if there's going to be a next disaster. And when people can't broadcast in the other languages of the community, what we do is we doom them to not being found, to not being saved. And we doom the people who go to get them to having to do it under the worst conditions.

So I want us to think about those things, too.

Because any policy we pick has to care about whether we reach all of our citizens wherever they are, because as David just said, we have the capacity, we have the talent, we have the technology and we can make this so.

MR. MAY: Kim, thank you.

So Blair is going to be next. Blair, when I introduced you and said we were old friends, I didn't really mean to imply that you were as old as I am, so --

MR. LEVIN: I certainly look older.

MR. MAY: So I will apologize if necessary.

MR. LEVIN: No apology is necessary.

MR. MAY: Okay.

MR. LEVIN: Look, as a matter of political capital, it's obvious we'll spend most of it on net neutrality. As a policy wonk, I would say the three issues we ought to focus on are exactly the same issues we focused on in the National Broadband Plan and, by the way, are the issues in about 155 other national broadband plans around the world: How do you get affordable, abundant bandwidth everywhere; how do you get everybody on; how to use the platform to better deliver public goods and services, including economic development? That's where

the focus ought to be.

I think that's consistent with what a lot of other folks have said. I would just note that when you understand the economics as well as kind of the social elements of those three questions, a lot of it resides in the cities, not in the federal government. And we could argue, and maybe we will later on, about whether what the federal government is doing is actually helping cities move in the right direction or something else. But that has really been a lot of the focus of what I've been doing since national broadband plans with cities.

But I also have to say kind of -- most of the money I made in my life, I made on Wall Street. And from a Wall Street perspective, there's really only one question, which is, how far is consolidation allowed to go? And I think that we will look at the next three years from the perspective of 10 years from now. The next three years are going to be very, very important. Because there is going to be a wave of consolidation. But the question is what is allowed, what's not allowed. I think the conditions are much less relevant.

But that, as Meredith said from the beginning,

what competition has done to the wireless industry and what that's done to the overall economy, that's actually - if market structure is the single most important issue, and that will be tested in a variety of ways in the next couple of years.

MR. MAY: Okay. And Bob will be last. I just want to remind you -- for those of you that weren't here at the beginning -- that we do have a Twitter handle. It's on your brochure, #FSFConf9, so feel free to tweet, if you would like.

Bob.

MR. QUINN: Is there a reason why you did the Twitter thing right before I spoke?

(Laughter.)

MR. MAY: I've heard that you are a tweeter, really, so --

MR. QUINN: Well, thanks, Randy. And thanks for inviting me here.

For the record, I'm not as old as either of these two guys.

(Laughter.)

MR. QUINN: But all the good things have been

said. I couldn't agree more with the focus of Meredith and David and Kim, deployment and adoption. I agree with Blair, consolidation is going to be on everyone's mind. It's certainly in virtually every news story that comes out in this space and I think it is going to dominate the press for a while.

But the area that I would go to, and it really kind of echoes the comments that Meredith made about 5G. I mean, the way that we create jobs in the telecommunications space is we dig up streets. And when Meredith talks about needing 150,000 small cell towers, you know, that's the way that the telecommunications companies, the broadband companies in this country really, really create jobs across the board.

And I think that tax reform is going to be a dominant policy. If you look at the tax rates that are paid by the largest investors in this country, the telecommunications companies are at the top of that list, and I think the percentages that they pay in corporate income tax are very, very high. And I think if we could reform that and reform the tax code to free up more capital for investment, but also to change the way that we

look at some of the investment that's made, I think that that would go a long way towards clearing the way to building the 5G networks of the future.

And when you think about the 5G networks, I know that we always think about wireless infrastructure and cell towers that cover multiple miles, two, three miles of coverage. In a small cell world, we're going to need fiber, particularly in densely populated areas, every couple hundred meters. So when I talk about digging up streets, that's some serious digging up streets. It's going to implicate a lot of the local issues that Blair highlighted in his speech. We're going to have to be able to get into the rights of way in order to be able to deploy that fiber. We're going to have a lot of issues.

You know, Verizon is not on the panel. But I know that when Verizon wanted to do FIOS 10 years ago, municipalities didn't have the right attitude about it. The right attitude should have been, we welcome this, we want it, how do we compete for the business.

I think when Google entered the fiber business, I think it changed the way some municipalities think about it. But, you know, we're already seeing some retrenchment

in the area of small cell. And I think if the country is really, really serious about the United States leading in 5G deployment, and the point Meredith made is, if we lead in 5G deployment, we will lead in job creation in this country, and there is nothing more critical than that.

So I think we really need to tie these policies together. I think it's got to be tax reform. I think it's got to be incentives to encourage the buildout of the infrastructure on both the wired side and on the wireless side. And I guess the point that I was trying to make earlier is, it's not wireless. You know, these are wireless radios for the last couple hundred feet now. These are all fiber infrastructures that are being built and we've got to make sure that we have policies across the board that incent the deployment and the building of those networks.

MR. MAY: Bob, thank you. And thank all of you for those opening statements that I think gives us a basis to dig deeper into these issues, which I want to start doing right now.

Each year I try and pick a conference theme. Because the issues don't always change dramatically,

that's actually a challenge sometimes. But this year, there is a new administration, a new FCC. And so the theme for this conference is "A New Direction for Communications Policy: Less Regulation, More Investment and Innovation." Now, I understand that everyone might not agree with that sentiment, but that's at least the view that I have in general.

What I want to do in terms of the first question is ask the panelists in connection with our theme, you know, everyone talks a lot about -- including Randy May -- about the discouragement from investment if the regulation is overly burdensome or rigid or costly, if it's more than it needs to be. And specifically, with regard to net neutrality, we talk a lot about the impact of the Title II classification on regulation, right?

So I want to ask the panelists, I guess principally initially Bob or David, and Meredith can chime in and the others as well, but can you -- you know, we talk about that and say it so often that sometimes I think we forget that there are actually decisions being made that go directly to this point. So are there examples that you can give where your businesses -- where you

believe that the regulatory regime, the current one, has impacted investment decisions?

Anyone want to --

MR. QUINN: I'll take a crack at that. I mean, first of all, if you look at AT&T, what's happened since those rules were enacted, those rules were essentially announced, is we moved in a lot of different places. We moved into Mexico, where they instituted some regulatory reforms, trying to encourage other companies to come in and build infrastructure there. And that coincided with what we were seeing here.

I think the thing about Title II that I think is the overhang on the market is that Title II is essentially a rate regulation tool.

Now, when former Chairman Wheeler announced the rules, he said that we were not going to get into rate regulation. It was just a matter of time before we were going to get into rate regulation. We started to see the movement almost immediately upon the enactment of those rules. We had a lot of focus on free data that the wireless companies were offering. We had a lot of focus on usage allowances on both the wire line and the wireless

side.

And I think the fear is what we saw in Europe. I mean, Europe has a very regulated structure on the wireless services market and I think, you know, after 10 years of policies where they did rate regulation and they did extensive wholesale regulation, Europe was faced with the prospect of having gotten passed by in the 4G LTE deployment race. And they acknowledged that that was a result of the kinds of policies that we were moving towards.

And I think that's what companies are reacting to, and I think that overhang was there and I think that the prior commission was making a lot of movement toward that.

In contrast to that are the policies that were adopted in this country from the mid-'90s on, which were really aimed at trying to build a communications infrastructure that incented companies to make the investments to move from the analog voice era into the digital broadband era. And those policies were started under the Clinton administration, I think they were accelerated under the Bush administration and I think even

at the beginning of the Obama administration, if you look at the National Broadband Plan that Blair put together. Blair and hundreds of others, but which Blair led, I think they put a plan together that recognized the importance of getting these networks built and having the right conditions to build it.

I think the mistake was walking away from some of the concepts that were in that National Broadband Plan and going into a Title II rabbit hole.

MR. MAY: David?

MR. COHEN: So, Randy, I think it's a great question to kick us off. Because I have to say I find it almost puzzling that there's even a debate around the issue whether a 1930s-era regulatory scheme that was designed to regulate price -- and access, Bob, if I could add that -- how could that not have an impact on investment? For anyone who has ever worked at a company that has to make investment decisions, the notion that academics and even non-academics, just activists, would try to argue that that does not have an impact on investment decisions is creating an alternative reality to the way in which we conduct our business every day.

So I look at your question at three different levels. First of all, I sit in rooms where we do capital budgets, where we do long-range plans, where we talk about our capital investments. And since the prospect of Title II was raised in the Tom Wheeler FCC administration, every single one of those discussions at Comcast has been burdened by the prospect of what Title II means for the business.

Now, capex investments are complicated. I mean, there are a lot of different factors involved. We have to respond to competition, we have to make sure that our networks operate, or else we'll blow up our whole business. But the notion that the regulatory structure here has not impacted our decision making is just dead wrong. It impacts it every single day, and I've seen it dozens and dozens of times.

I also want to add into the investment calculus the impact on innovation. And this goes to something Bob talked about. So zero-rating plans in the wireless space, T-Mobile's Binge On, Comcast's Stream -- original Stream TV, which wasn't even an Internet service. It was an IP-delivered service in the home, and we end up with a year-

long FCC investigation which essentially delays the launch of a service that potentially could be incredibly popular with customers for 18 months. So there is a crystalized example of how, again, as Bob says, the commission said we're not going to get into this. And then we end up with a 12-month investigation by the FCC into something that isn't even covered by the *Open Internet* rules because it's not an Internet-delivered service over a bias network. So that's level one.

Level two is to look at the numbers. And we've got Free Press and the Internet Association who've hired people who have done about the most facile analysis you can imagine, because they've taken publicly reported capital ex expenditures by ISPs and they say, look, they've gone up, so obviously there's no impact of Title II. The problem is, that is an argument that does not reflect the reality of capex decision making. If you are going to look at anything in publicly reported numbers, you should be looking at capital intensity, because that's how you measure what a business might really want to be spending on capex.

So for Comcast only, based on the same public

numbers that Free Press and the Internet Association used, but making an assessment based on capital intensity, that is the percentage of our revenues that we're spending on capital investment, as opposed to the actual capital spend, the leveling off and even reduction of capital intensity since the adoption of Title II suggests that Comcast capital spend alone is going to decrease more than two and a half billion dollars over a three-year period.

And then the third level I'll look at are the variety of studies that are out there that attempt to look at this in a more sophisticated fashion than the Free Press and the Internet Association studies, and that can be whether the Ford study or the Hal Singer study or Free State's study, all of which conclude that there has been a significant reduction in capital expenditures and capital investment by ISPs as a result of the adoption or as a result of the reclassification of broadband under Title II.

MR. MAY: Okay, thank you, David. Meredith, I'll get to you in a minute.

I'm just going to ask -- Blair referred to earlier his connections with Wall Street, and I know he

thinks about things in economic terms as well as others. So if you want to jump in and respond to these two, you can do that. And then Meredith, we'll give you just a short time.

Do you want to say anything, Blair?

MR. LEVIN: Well, first of all, I'm an empiricist, I can only reflect the rooms I've been in. And, you know, while David Kaut, who's here, and Rebecca Arbogast and I wrote our first Wall Street piece on net neutrality in 2002, it's been a long time, and sometimes one doesn't learn new things. But I would say, in the last five years, when I've been on Wall Street, it really hasn't been an issue. Sorry.

And you could look at the piece that Craig Moffett, who is a very well-respected analyst and, by the way, opposes Title II -- I don't want to make a policy point here. He wrote a very good piece yesterday on why he's upgrading AT&T and Verizon from a sell to neutral. It had nothing -- the words "net neutrality" don't appear, "Title I," "Title II" doesn't appear. "FCC" doesn't appear. "FirstNet" appears, mergers appear, and the competitive marketplace appears.

And if you look at the comments on quarterly calls, I don't think anybody has said you ought to short equipment people because there's been a lack of investment.

I am sure that Bob and David are accurately reflecting those discussions internally. I am just saying from the investors' perspective, what drives investment, what drives their excitement about certain things, 5G is certainly a very interesting issue. I don't think any investor that I've ever talked to thinks it's that dramatically affected by what is primarily, I think, a legal question about how you ground your net neutrality rules.

So I -- Bob made, I think, a really important point. When Verizon did FIOS, they did it in a very traditional way and the cities responded in a very traditional way. Oh, great, you're basically a monopoly; we'll just take as much money as we can.

One of the great things about Google Fiber and we tried to duplicate this with Gig.U is to change the way cities think about a couple of things. One is about are you better off with essentially raising nontax revenues

from a source that may or may not mind, such as a phone company or a cable company, or are you better off having the foundation for economic growth in an information economy? And every city I have talked to has decided it's much better off to do the latter.

And the second thing was -- and this isn't about regulation, this is about management. Remember, cities are the monopolist construction managers for large projects. And they had to make a lot of changes. You look at the 30-page agreement between Kansas City and Google, a lot of things very different. Jim Cicconi, Bob's predecessor, I came to him and said, hey, let's do a gig city somewhere. He said, we'll never get the same deal that Google got. We, in fact, did something with AT&T North Carolina, and AT&T has moved forward and done a lot of things because, in fact, I think there has been a very significant change in cities.

That drove investment. What Google is doing drove investment. I think Bob would agree with that, I think David would agree with that.

Whether that continues to do so, of course, is a different question. But competition drives an awful lot

of investment.

Consumer behavior and interest. Once we -- and I think we will do this -- have an in-home care, high-fidelity, two-way video that allows people not to -- in their eighties and nineties, where Randy and I are quickly moving toward -- to be able to avoid going to the doctors every week, you are going to see a lot of take-up of higher levels.

And I would say something that I --

MR. MAY: Blair, I'm going to stop you pretty soon. Not because of that comment but just because I've got a lot of questions I want to move on to. So --

MR. LEVIN: If I could just make one comment? If we have gigs everywhere, the debate about net neutrality becomes a lot less because the incentives to essentially use scarce bandwidth to discriminate kind of go away.

MR. MAY: Thank you. So, Meredith, if you have a brief comment, why don't you add it here and then we'll move on to another question.

MS. KEENAN: I want to say something, too.

MR. MAY: Okay.

MS. BAKER: Just briefly, I think that CITA's

annual survey has been a reliable source for the industry for reporting numbers for quite a while. And this year, the annual survey showed for 2016 a 17 percent drop in investment.

Now, companies make investments for multiple factors, multiple reasons. But to say that something as intrusive as Title II doesn't enter into that equation, I think it just isn't credible.

I think we have decreasing investment at a time we need increasing investment. If we're looking to build out these new networks and it's going to take \$275 billion, that's what I'm talking about when I say we need to have the right broadband policies to incent investment.

MR. MAY: Okay. Kim, you have a comment?

MS. KEENAN: Yeah, I'm not going to talk so much about investment as to say the point about innovation. Light touch regulation got us to where we are today, and it wasn't something that happened that stopped that continuation. And the fact of the matter is, when companies started giving free data away, people kept saying, oh, well, they should just be able to give it all away. But what happened was when one company started

giving unlimited data as a plan, all the companies started doing it.

I remember saying to somebody, well, if one of them does it, the other ones are going to do it. And that was a benefit for consumers. Because when you get your bill every month and you go over that data limit -- Lord knows, if you've got a teenager, you're going to go over that data limit -- then this was -- this was huge, and it's continuing to evolve, and we don't know where it's going to go.

And so rather than cutting it off before it can get there and get to people who can't afford to pay what all the people in this room for the five devices I see all of you having, you know, there's a whole lot of people out there that don't live like that.

So I think it's important that we think about how it's interrupting the ability of this industry to go where it really could go and make a difference for every American.

MR. LEVIN: No one has ever challenged unlimited data as being violative of Title II.

MS. KEENAN: Well, but they investigated it for a

year.

MR. LEVIN: No, that was a different -- the zero-rating.

MS. KEENAN: The zero-rating, right.

MR. LEVIN: But no, zero-rating and unlimited are two very different things. And, frankly, unlimited makes zero-rating kind of a nonissue.

MS. KEENAN: There you go.

MR. MAY: Okay. Well, as they say, we might continue that discussion later. But I do want to get in a number of things. So I'm going to move on.

I think Blair referred to his first encounter with net neutrality in 2002, I think you said. I actually dated mine to 2004, when I went back and looked. So you've got two years on me.

MR. COHEN: So I am older than you.

MR. MAY: But anyway, it's been a long time and, hopefully, we will get to a point sometime soon -- I don't want to say in our lifetimes because I'm thinking much sooner than that, when maybe this issue will be resolved in a proper way.

And towards that end, I want to ask this

question, and listen carefully, because I don't want to go back -- I want to focus on this question.

Let's just say hypothetically that you are negotiating a compromise with the other side, whoever the other side might be at the time, with the current rules as the starting point, okay? What would you consider the elements of the current regime that must be eliminated, from your perspective, that must be eliminated in order to reach such a compromise?

Maybe that will get us a little further down the road in understanding what lies ahead and the way we ought to think about it. Because we're all thinking about it in terms of the comments that are going to have to be filed. I know you guys have been thinking about it. And this is your opportunity to be telling your staffs how you want those comments written that are going to be filed with the FCC.

Who wants to go first?

MR. COHEN: I think they just elected me to go first.

MR. MAY: Okay.

MR. COHEN: So let me say this. I again want to

use this as an excuse to say what I think this proceeding is about, which is, I think this proceeding is about reclassifying broadband under Title I and not Title II. And I think there's a whole body of evidence that we're all going to cite in favor of that proposition.

I think the ancillary issues, and they are ancillary issues to the guts of the proceeding, are what should strong, legally enforceable net neutrality rules look like? Because we've all said, and repeatedly say, we're for strong, legally enforceable net neutrality rules.

So I'm going to take it a little bit opposite way but I'll do it quickly. I think there is a broad consensus among all parties on all sides of this question that strong, legally enforceable net neutrality rules include no blocking, no throttling, no discrimination, and full transparency. Those are the four core principles of *Open Internet* principles, net neutrality rules.

I think there are then a smaller set of issues about which there is at least some potential disagreement. One of those is paid prioritization. And I actually think Julius Genachowski's formulation on paid prioritization is

a workable starting point for a discussion about how you deal with paid prioritization. I remind everyone that at the time the Genachowski FCC put out its rule, there was no uproar and revolution over his treatment of paid prioritization. So I think that's a reasonable -- on either side -- so I think that's a reasonable place to start.

I think the number one issue I would identify in the Tom Wheeler FCC formulation that has to disappear is the so-called general conduct standard, which is basically an importation of Section 201-202 of Title II into net neutrality. There was never a general conduct standard in any formulation of net neutrality rules before Tom Wheeler came along and this rule came out. And the way I would describe the general conduct standard is it's a catch-all that says that any practice that any ISP engages in, or potentially edge provider, even if it doesn't violate the principles of net neutrality, could be subject to challenge under the general conduct standard.

And I actually think it's a double-edged sword because in one type of FCC, you could use the general conduct standard to attack zero-rating rules. In another

type of an FCC, you could use the general conduct standard to say that a decision to throttle Internet usage once a particular customer reaches a particular level is something that we're going to authorize under the general conduct standard.

So depending on your politics of the FCC, the general conduct standard can be used in either direction in the net neutrality debate. And since the purpose of this is to end once and for all a game of regulatory ping pong that we've all been engaged in, depending on the administration, for the last decade or more since maybe 2002 or 2004, having something like a general conduct standard just perpetuates the game of regulatory ping pong.

MR. MAY: Okay.

MR. COHEN: I think those are the six basic areas, including the two areas where there is contention.

But I really think around the four core principles of net neutrality, there is general agreement.

MR. MAY: Okay. Now we can see why, even in law school, David Cohen was called Mr. Chief Justice back then. But that was a good base line, I think, to lay out

these elements of net neutrality.

And by the way, David, in the Wheeler commission's order, I thought this was kind of puzzling, but the order refers to that good conduct rule as a so-called catch-all right in the order.

MR. COHEN: Yep.

MR. MAY: Which was interesting to me.

So what I want to do is I want to see whether we can get to the bottom line of what would be acceptable to you in order to say, hurray, this is something I can live with? Who wants to go next?

Bob? Go ahead.

MR. QUINN: I was not a volunteer, by the way.

(Laughter.)

MR. MAY: You volunteered. Go.

MR. QUINN: I was volunteered.

I think David's got it exactly right about the general conduct standard. I think if you go back to the press conference after then-Chairman Wheeler passed the *Open Internet Order*, -- I'm going to butcher it, I don't have the exact quote in front of me -- but I think he was asked the question of what conduct it prohibited. I think

his answer generally was -- I don't know yet.

And I think any time you pass a rule and that's the answer from the person who wrote the rule and passed it, I think you've got a Howard Shelanski problem, what Howard was talking about on the prior panel. And I think that was the issue that we had with the general conduct standard.

We saw it in action shortly after the rules came out. We got LOIs on free data. We had calls to use the general conduct standard to go after usage allowances. And you never knew where that was going to go and you never knew what services it was going to attack.

I mean, if you think about the free data services, these are commercial services. There's a billing arrangement. They are commercial services that are offered to a third party to pay the usage on somebody's bill. And all of a sudden, you have these calls to eliminate those services. And I'm going to have Kim's back, because I think there is a relationship between what happened with unlimited data and zero-rated services, free data, that came out. You know, I wasn't in the rooms that made the decision to say, hey, we're going

to go all out with this unlimited data. But there is certainly an argument to be made that some of those moves were made as a result of the fact that free data was in the marketplace.

So, I think David has laid out the argument really strongly against why the general conduct standard was a problem. I think he gets it a hundred percent right on paid prioritization.

I think in an age where we're talking about autonomous cars coming into the world, and we're talking about using the Internet for health applications, I think the idea that you have a flat out ban on end-to-end quality of service management that guarantees a specific level of service, I think it's silly to have that.

We don't know where the Internet is going, but I look at 5G, I look at how low the latency on 5G is going to be, and there's a world of innovation that could happen in that space. I wouldn't go so far, probably, as Chairman Genachowski, to say there's a presumption against it. But I think the ability to be able to bring those types of services to market, and whether you formulate it as, hey, they can't be anticompetitive, there has to be

consumer consent, it has to be real consent. I think there's all kinds of things you can do in that space that will still allow for the kind of innovation that I think you're going to see when we start building these networks and start seeing the capabilities that they offer to people.

MR. MAY: Okay, thank you, Bob.

Meredith, what's your bottom line here when it comes to this proceeding?

MS. BAKER: I'd say we all seem to want the same thing. We want to go wherever we can and want to on the Internet, and we want to incent world-class broadband.

It strikes me, I remember Marty Cooper coming to see me one time. Marty Cooper is the inventor of the cell phone. And he's like, I don't know if you guys know him, he's a short, little elf, Santa Claus-looking man. And he says, we're at the Model T state of the Internet. We're at the Model T state of the Internet. And I think that is true.

And we want to make sure that we can go, as Bob just said, we want to be able to evolve this to where we need to and want to, to maintain our global leadership.

So I'm optimistic that we're closer than where we think to coming up with basic rules that we can all live with, and hopeful that we can get Congress to enact these rules so that we can stop the ping pong that David so eloquently talked about.

MR. MAY: Okay. Kim, you want to make a comment? Then I'm going to turn to an entirely different issue.

MS. KEENAN: I agree that we should have federal legislation. I just think that if it's so clear what the rules are, then it would just be simpler to have them do what they're supposed to do. And it's been very bipartisan all along. I mean, I think that's the thing. People kept saying, it's this administration or that administration. But the things that people have agreed upon on the Internet date back to the Clinton administration, to the Bush administration. And it seems to me that maybe the people today need to look back and figure out how they were able to have bipartisan agreement on this very great thing that they all created.

MR. MAY: Okay, before turning to the next issue, I'm actually going to ask Blair to hypothetically put himself in the position of the other side that I referred

to in my statement, just for the moment.

And you've heard the comments thus far. If you're just looking at it, I'll just ask you to reflect upon your personal experience, because I'm trying to have here, obviously, a diversity of perspectives. And I want to keep this short and then move on.

But what would you consider are sort of the elements that would have to be in a change from the existing regime in order for you to consider it to be a good regime? And then we'll move on.

MR. LEVIN: I have a big problem opining on it when I don't know who my client is. I mean, I guess it's like years of legal training --

(Laughter.)

MR. LEVIN: And I actually mean this in a very serious way. One of my favorite moments in the net neutrality debate was when Tom Tauke looked at a public interest advocate and said, "I'm not sure I really need to listen to you. We invest billions of dollars, you invest paper." I think that's actually a legitimate point. And since I only invest paper, I'm reluctant to say.

I will simply say, not so much as my own view

but, I think, analytically, what the panel has said is, I think, fundamentally right. There is agreement on a set of rules.

And the real disagreement and the problem with getting legislation is this area -- and it's an important philosophical area and you saw it in Howard's comment and you saw it in the other comments -- do you keep a safety valve catch-all of regulation if things change ahead of time so that you can act if there is bad behavior, however defined, or do you say, no, if something comes up, we'll have to change the rules then.

There is a legitimate philosophical difference. I go in different ways on these things. And I would just go back to something I implied earlier. What I think about it today could be changed dramatically if, oh, let's just say, for example, David's company buys Charter and T-Mobile and Sprint merge, and then those two entities merge. And then Bob's company buys Viacom and CBS. And then Verizon and Disney and Netflix all get together. My point of view on net neutrality actually might change.

And let me tell you who else's view on that would change. Rupert Murdoch, the *Wall Street Journal*, and

Sinclair Broadcast.

So my point is that this is actually, I think, a difficult thing. But the problem in the legislation doesn't go to the four things that I think David said, there's consensus on. It really goes to this question of what's the residual power of government in a very ill-defined, changing world, and that's a hard canyon to get over.

MR. COHEN: If I could -- I promise, less than a minute.

MR. MAY: Okay. Go.

MR. COHEN: So obviously, I agree with Blair that that's where the rub is. And my biggest pushback to that is, net neutrality is not the only issue where Congress would legislate an administrative agency would be responsible for enforcing. And the way the Administrative Procedure Act, the way legislation and regulation has worked in this country for 100 years is Congress does the best it can to legislate, the administering agency does the best it can to regulate, and if something needs to be fixed, you go back to Congress. That's what we're doing now.

I've never heard of a catch-all that basically gives the regulating agency the authority to override what Congress has legislated under the guise of future proofing the statutory standards. We've got a 100-year-old system of legislate, regulate, and, when you need to fix it, come back to Congress. And that's all that I'm advocating for that we use in this particular space.

MR. MAY: Okay. Well, speaking of Congress again, I want to turn to the privacy issue for a moment. Actually, Howard Shelanski this morning said, if I heard him correctly, and he's the former OIRA administrator from the Obama administration, said that he thought that the FCC's privacy order was ill advised and that privacy regulation should reside over at the FTC, which I think he said had the institutional expertise to handle privacy regulation on a uniform basis.

So but here's my question, because I know without asking, a lot of you, maybe most of you on this panel, agree with that sentiment. But my question is this. Marsha Blackburn just a few days ago introduced a bill, I think the acronym is the Browser Act. It deals with privacy. So one thing it would have the effect of doing

is relocating or locating the authority to regulate privacy with the FTC for the Internet players, right? And let's assume that you think that's a good thing.

But the other thing that the bill does is that it requires opt in rather than opt out for activities that are assumed to be sensitive, like web browsing, I think, and apps usage history, things that the FTC has not considered sensitive enough to require opt in. And I think that perhaps several of you -- I'm not sure, you can let us know -- but previously I think you may well have had objections to requiring opt in for that type of information.

So that's really what I want to focus on, not the equality of treatment but specifically on whether you agree with the opt-in requirement in Chairman Blackburn's proposed bill.

MR. QUINN: Let's kind of break it down and talk about where that all came from, right? And where I believe all of that came from in Chairwoman Blackburn's bill was, I thought, a disinformation campaign that happened after Congress did the CRA and President Trump signed it into law, eliminating the privacy order that the

FCC had enacted.

And the disinformation campaign came out, basically saying that Congress had just passed a law, in essence, that was going to allow ISPs to go out and share or sell personal consumer information, including web browsing, to the highest bidder. Which, of course, that's not what happened at all. And that story was spread by policy makers, it was spread by legislators. It appeared on a billboard in Chairwoman Blackburn's district in Tennessee, that she had betrayed her constituents on that.

And what this bill is, in essence, it's the same bill that was really the FCC order. Only it doesn't just apply to the ISPs, it applies to everyone.

Our position in the FCC docket was you can't put us under a different set of rules on privacy than you've put the rest of the industry. And that's exactly what the FCC order did.

MR. MAY: No, I understand that. But --

MR. QUINN: The FCC order declared web browsing information to be sensitive data. They declared it to be sensitive data and they required us to get opt in. So her bill, in essence, codifies it.

My main concern with everything has always been, we have to be treated the same. We have to have the same set of rules. We should be regulated from a privacy perspective by the same regulator that's regulating over-the-top services. We're getting into a world where we're competing with the Googles and the Apples of the world. Look at text messaging, right?

And if we have to operate under a different business model with a different set of rules and can't operate with the same types of business models that these guys have, it's a problem.

MR. MAY: Right --

MR. QUINN: So we supported what Chairman Blackburn put out there --

MR. MAY: Okay.

MR. QUINN: -- because what she's doing is she is enunciating a policy that is designed to create the level playing field that is our primary thing. And it's the first draft of a bill. We'll see where it all goes.

But at the end of the day, I'm concerned about the parity aspect of this.

MR. MAY: Okay, that's what I want to do, I wish

I really had a lot more time, so we're going to have this same group back. But I want you, fairly crisply, I want to get at this opt-in issue in Blackburn's bill.

MR. COHEN: I'll do that. But I have to endorse what Bob said about level playing field because he's right and she's right. I want to add one other thing I know Bob agrees with, and that is creating a single federal standard so we don't have 50 different state regulations with 50 different privacy regimes all around the country. And I agree with Bob, I think what Chairman Blackburn was doing, was putting in legislation what the FCC had done.

I think it is an appropriate inquiry whether all web browsing history should be sensitive information or whether web browsing history on particular topics like your personal finances, your kids, and things that the FTC had previously deemed to be sensitive information. So I'm going to say that I agree with Bob, this was a draft of legislation. We'll see how it plays out.

But I think the ultimate discussion of whether all web browsing history belongs in the sensitive information category or whether just certain web browsing history belongs in that category will be something that

there can be a discussion about during the consideration of her bill.

MR. QUINN: The idea, Randy, is that the groups that were out doing backflips over the FCC taking that position with respect to the ISPs are either silent or opposing Chairwoman Blackburn's bill on the same topic when she takes that rule and applies it to the entire industry. Which I just find remarkable, that companies or organizations that are supposedly privacy organizations are wholly supportive of what she's doing. I think you have to start asking questions of those organizations, why?

MS. KEENAN: And when I went to Brussels to the RISE conference, which is about privacy and access, the two largest collectors of this data, all of this data that we're talking about right now, are not ISPs. Okay? Okay, I'm not going to name names, but we know they're edge providers. And that's their product, they monetize that product.

So if you're going to have these rules, they have to apply the same to everyone. And every time I talk to people who are on the other side, they're like, well, the

ISPs are low-hanging fruit and we have to start somewhere.

But if we start in the place that isn't the place that's collecting the most data, is that really the best place? And that's why the legislation is so important. And she was so brave to just say, well, if it's what we want to have as our privacy rules, we need to have it for everybody.

MR. MAY: Okay. Well, it sounds like this is an issue on which the proverbial level playing field, as we say, is of supreme importance. And that's fair enough.

So I want to turn to just a couple more issues. We're going to run over, I think, just a little bit and that will be fine, because we're having such a great, great discussion here.

(Laughter.)

MS. KEENAN: And you're in charge.

MR. MAY: We really are. And, as I said earlier, we had to reschedule the conference because of that snow day that wasn't even so much snow and I wish I would have added a couple more hours. But we have what we have here.

Now, I want to ask, Meredith talked about 5G and its promise and the anticipated benefits and so forth, and

that's important to paint that picture. And she also talked about, and maybe others as well, Bob perhaps, talked about some of the impediments from the local governments, that may have an impact on the deployment of the infrastructure, to coin a phrase, that supports 5G.

So what I want you to do, Meredith, without necessarily reciting all the specifics of these impediments, I know CTIA has done a lot of good work, important work doing that, but just tell us, because I'm going to ask Commissioner Pai about this during lunch, tell us how you think about balancing. Obviously, the localities have a legitimate interest in these questions of sitings and the processes, review, and so forth. But on the other hand, there are federal imperatives.

How do you think about balancing those interests which both have merit in your own mind?

MS. BAKER: I think what we're trying to have people do, is to pick their head up and stop looking at it as an immediate revenue source and see it as a long-term revenue savings. A smart city is going to bring so many improvements to our lives. But to get there, we're going to have to site hundreds of thousands of small cells.

But as I mentioned, Randy, when you're siting something that's the size of a small pizza box as opposed to a big, tall tower, then there should be different rules. And we're looking at every level of government to help us do this.

We're not trying for preemption. We're trying to work with the locals. But what we really do need is greater access to streetlights and poles, and we need that to be cost-based fees. And we need these procedures to be streamlined.

And we've been working with a lot of states. I might have gotten this number wrong, because I'm not sure whether the governor of Texas has signed the bill or not, but we have had almost 10 states right now pass legislation, and that's important for us.

I mean, we are in 2017. We are planning on rolling these networks out -- talk to Bob -- but we are talking about the industrial areas by the end of next year, having real consumer growth out there by 2020. That's not very long from now. We need this action. We need action now.

And we are looking to Congress, we're looking to

the FCC, and we're looking at state and local governments, because it's going to take all of that.

MR. MAY: Okay, I am going to give you an opportunity here to make some real news, okay, for our reporters here. Because I saw in the Budget Act that was just released, that in the FCC's budget, there's a line that suggests that there is going to be another auction by 2027, I think. And I know that sounds like a long, long time. I hope I'm here to see that one.

But I know there's a lot of planning that goes into this, and there's a long lead time, so I get that. All I want you to do is tell us when that auction is going to take place, that's one year, and tell us which band, and that's it.

MS. BAKER: I'm not going to answer that question.

(Laughter.)

MR. MAY: Okay. See, I know how to get a short answer when I really want to.

MS. BAKER: I wish I could give that -- I wish I could give an answer to that question. Actually, I'm being flippant, but it's a really serious question. We

need to have a pipeline, we need to know when these auctions are going to take place. It takes a lot of time and planning.

We've had the 600 megahertz auction, we've had success at AWS-1 and AWS-3. These can be win-win situations and we need to figure out where the next one is going to be. We've got to get a pipeline ready. We're going to have five times more data by the decade's end, and that's an old number.

MR. MAY: I think all of your co-panelists here and most or many people in the room know from history, actually, how long it actually takes from conception to the actual auction.

Okay, I am going to ask one more question and then I'm going to give you some instructions for lunch. And this question is to Chief Justice Cohen over here.

We haven't talked about video regulation. There's so much more we can talk about. But that's an area that, at the Free State Foundation, for many, many years, it's been my view that, going way back -- and because I can remember -- that a lot of the regulations on the books were put in place several decades ago, if not

longer, and that they just don't fit with the current media environment very well. And I think it's my view that there's a First Amendment overlay to a lot of these regulations that ought to be important to be considered.

So, David, I just want to ask you, the changes that are taking place in the video space are amazing. We've got Netflix and all the other OTCs. And I think Netflix has more subscribers now than any other video purveyor, perhaps. A lot of video is consumed on the mobile devices that Meredith's companies enable. So that's changing as well.

And so my question is -- and you're obviously at a position at Comcast where you have the cable and broadcast properties -- just talk to us just briefly, if you will, about how that environment has changed. And whether, I guess, most importantly for this session today, how that impacts your view about the regulatory environment and the urgency or not of any changes that ought to take place.

MR. COHEN: I think, for all the reasons that you suggest in your question, you don't hear a lot about regulation of video these days. There are a lot of people

who think that the video business is a melting ice cube. We actually don't at Comcast. We're very pleased with our video business.

You know, Blair talked earlier, in commenting on Meredith's comments that competition is the ultimate surrogate for everything. Well, 99 percent of Americans can now obtain multichannel video service from at least three multichannel video providers. Fifty-nine percent of America now subscribe to OVDs, online video distributors.

You dramatically understate the impact of Netflix. So Netflix's U.S. subscribers are now almost 50 million, which means that they're more than twice as large as as AT&T and we are. So we would be the largest multichannel video providers. You put AT&T and DirecTV and Comcast together, we're not as big as Netflix.

And yet we still have this jungle of video regulations that were put in place in a completely different time, in a completely different environment. And consistent with the Trump administration and with the Chairman of the FCC's views that we should be looking at our entire regulatory framework and figuring out what's really necessary now to protect the American consumer to

provide choice, I think there are a spate of video regulations that could easily fall by the board, making our legal and regulatory life easier and not impacting consumers, consumer choice, or consumer protection in any way whatsoever.

MR. MAY: Good. I happen to agree. And again, I think there's a First Amendment overlay to a lot of those regulations.

MR. COHEN: By the way, I'm sitting next to Kim and she wouldn't forgive me if I didn't say this. But within this environment, I would also say that diverse and independent programmers are thriving. And their opportunities to get on the air through Netflix, through online video distributors, through traditional cable providers, through satellite, there's never been a more robust environment for diverse and independent programmers as well.

MS. KEENAN: We need to keep it going.

MR. COHEN: Right. No one wants to stop it from happening. But I'm just saying, sort of ticking off an argument that sometimes people want to make, we don't need this thicket of video regulations to protect the rights of

independent and minority programmers.

MR. MAY: Okay. Well, as I said, we really could go on for a long time. I think this has been a terrific panel. We've just learned so much. There's more to keep talking about, and I'm sure we will in the future.

So don't move, but just join me now in thanking this panel.

(Applause.)