

The Free State Foundation

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THE FREE STATE FOUNDATION ANNUAL WINTER TELECOM POLICY CONFERENCE

Panel I:

**The FCC's Broadband Plan:
The Good, The Bad, and the Just So-So?**

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**Panel I: The FCC's Broadband Plan:
The Good, The Bad, and the Just So-So?**

Moderator:

**Deborah Taylor Tate, Distinguished Adjunct Senior
Fellow, Free State Foundation**

Panelists:

**Stuart Benjamin, Distinguished Scholar in Residence,
Federal Communications Commission**

**Jeffrey Campbell, Senior Director, Technology and Trade
Policy, Cisco**

**Steven Davis, Senior Vice President of Public Policy,
Qwest**

Steve Largent, President and CEO, CTIA

**Paul de Sa, Chief of the Office of Strategic Planning and
Policy Analysis, Federal Communications
Commission**

**Joseph Waz, Jr., Senior Vice President, External Affairs
and Public Policy Counsel**

PROCEEDINGS¹

MS. TATE: Thank you. Thank you so much to Randy and to the Free State Foundation for this annual gathering bringing together industry and government leaders during what always seems to be a crucial time.

I think no matter when you're a commissioner, you feel like it's the most crucial time in history regarding the direction, of course, of policy and regulation.

And I want to welcome this really esteemed group of panelists and say, "Hello," to you all. It's always great to be back in the nation. Especially on this historic week here.

Obviously, we are here to discuss the broadband plan and its excellent timing since, of course, we all still have the opportunity not only to speculate, but also given the extension for its release to possibly have a little more impact on it.

And so I hope that you all have a lot to say about what you hope will be in or possibly not included in the plan and obviously we won't be focusing on the NN word that I don't usually say aloud.

¹ This transcript has been edited for purposes of correcting obvious syntax, grammar, and punctuation errors, and eliminating redundancy. None of the meaning was changed in doing so. The editing assistance of FSF Adjunct Fellow Seth L. Cooper is gratefully acknowledged.

All of the panelists are well-known, obviously. I won't go through their entire biographies, but you all do have those in your booklets. But I would like to just introduce them very quickly for those of you all who haven't had the chance to meet them yet.

Stuart Benjamin is the distinguished FCC scholar in residence. Maybe we needed one with the previous FCC. His perspective is not only from the telecom arena, obviously, but also as a true scholar of the First Amendment.

So, as Commissioner McDowell mentioned, we may get into that and Stuart's role is focusing on spectrum reform as well as strategic planning.

I hope that you all actually have the spectrum advisory committee meet sometime and help you and consult with you. I see some of you all out there.

Jeff Campbell is senior director, Technology and Trade for Cisco, a long-time DC insider, and now worldwide technology policy maker. So we hope that you will also maybe address some of the copyright issues. Obviously being from Music City, those are very important and dear to my heart.

Steve Davis, vice president, Public Policy at Qwest, 22 years in a number of legal roles, state and local AT&T. So you bring the full

gamut of all different levels of government and, in fact, that reminded me when Commissioner McDowell mentioned Title II regulation and I thought of nine-hour, five-day hearings about Title II and I just couldn't imagine what I might be like.

Steve Largent, who is going to win the Super Bowl? That's why Steve is here, to help us make our picks. And, of course, I love Peyton. President and CEO of CTIA, the Wireless Association since 2003.

Wow, I can't believe it's been that long and a very unique perspective, obviously, as a former member of Congress. So we welcome you.

Tom Power, chief of staff for NTIA and former legal advisor to Chairman Kennard. So he has really a long range of watching this broadband unfold. We welcome you. General counsel of Fiberlink. So you've really seen both the inside and the outside of the evolution of the industry. And now you're very popular as you hand out billions of dollars. How fun.

Paul de Sa, it's so nice to meet you finally. Thank you for being here. Chief of OSP with both a financial and a distinguished technological background. So we look forward to hearing from you and I just wondered, what is theoretical physics? We won't go into that now.

Joe Waz, senior V.P. Affairs for Public Policy at Comcast, all-

around great guy. We welcome you. And a major leader of the cable industry. Ralph Nader, that was so interesting before Comcast. So that is indeed one of the most broad perspectives of anyone on the whole panel.

All of you all will give a five minute overview -- I have to be very strict according to Randy May -- of the hopes and dreams you have for the broadband plan. And you have a few more days to make your case.

Jeff?

MR. CAMPBELL: Great, thanks. You know, we at Cisco have been spending a great deal of time in the past decade suggesting that having a national broadband plan might actually be a useful thing considering the rest of the world has done it and that it actually has produced some valuable outcomes in a lot of other places in the world.

And so perhaps I should just give back four minutes of my time and just say: "Hallelujah. Isn't it wonderful we're finally doing this?" But, as those of you know me, you're not going to get off that easily.

The thing about the National Broadband Plan that is really important for us to remember, and I think the Commission clearly is thinking this way as they're going about doing this, is that the reality is that we live in a market-based world where most of the decisions in the broadband world -- both in the regulated and unregulated spaces -- are driven largely by market forces and outside influences.

But also to remember, at the same time, that the government still has enormous influence over a wide variety of important inputs into this market. So whether it is issues with respect to spectrum for wireless broadband, both licensed and unlicensed, or whether it is with respect to other regulatory rules as to how the market will work in this place.

What the government decides can make an enormous difference in whether we get more broadband, whether it is adopted by more people, and whether it is higher quality and more ubiquitously available in all areas of the country.

The universal service system is obviously another area where the government has enormous levers that are currently all rowing their oars towards the telecommunication systems of the 1880s, and we need to start thinking about how to have those oars start rowing into this century and not two centuries ago.

But the other thing that we also have to recognize is that government has enormous influence over other areas beyond the things we think of traditionally of regulation and deployment, but also in what I think of as the applications world.

Because the government is an enormous user of technology and an enormous user of applications, and so what the government decides to do, say, in the world of healthcare in adopting broadband

technologies into our healthcare system where the government controls about 50 percent of the dollars that move in that area, can make an enormous difference in growing broadband, bringing people who don't use broadband into the broadband world and pushing adoption forward.

So there's an enormous number of opportunities here and I think the plan is going to address all of these things. You know, it's interesting. We're sort of speaking a bit in a vacuum here. And so we haven't read it, but clearly they're going to address things like healthcare and education and Smart Grid and other application areas critically important to the growth and the benefits of broadband. It's why we care about having broadband.

Not just to say we're number one because we want to say we're number one, but because these things change the lines of people, improve the economy of our country and make things better everywhere.

And I think I'll just conclude with my last minute or so because this is supposed to be the good, the bad and the so-so. I'm not sure I have any so-so's for you. But as in any process like this where we bring up all sorts of ideas, a few clunkers really show up and there were two that I wanted to mention today.

The first was this notion by some so-called public interest advocates that we should be regulating broadband access under Title II.

I don't really know that I have to say anything more, because I think Commissioner McDowell pretty well demolished that already this morning. But I would point out that for 30 years, we've had a policy of not regulating information service in this country and it has been enormously successful.

When Congress had the chance to look at it in doing the '96 act, it chose to maintain that policy and go forward. And it seems very strange to me that now 30 years into a highly successful policy, we're actually having people suggest that we should revisit the fundamental underpinning of what has caused the internet and the broadband world to grow.

The second idea that's floating out there that seems to have a little more traction is this notion that somehow heavy regulations of set-top boxes is going to cause an increase in broadband adoptions somewhere.

And I think, not only are the connections between the two things very tenuous in the first place, it's an area where we should probably look back a little bit at history as well and recognize that past attempts by the Commission to heavily regulate in this sector has largely created a situation where we have imposed a lot of costs on consumers that have provided few benefits to consumers.

And I think the Commission, as it looks at all things in the broadband plan, should think about this especially in this area of looking at costs versus benefits before rushing forward to regulate in this space.

But to wrap up, I think that it's important that we have a National Broadband Plan. It's important that we update it over time and it's important that we measure what we have accomplished and what we are intending to accomplish over a longer period of time and make this a real iterative process.

So that as we go forward, we can improve upon the good work that has been done and we can correct mistakes that need to be corrected going forward.

MS. TATE: Thanks, Jeff.

Steve?

MR. DAVIS: All right. I'll go next. Thank you.

Hi, I'm Steve Davis. I'm with Qwest. We serve 14 western states with global phone services and broadband. We also have a backbone network -- internet backbone network and serve business customers across the U.S.

Earlier I had thought we were number three, but apparently we dropped to fourth, Joe, as the largest phone companies are concerned.

From all the political activity, events and rhetoric over the

past couple of weeks in particular, I think there are a couple of critical learnings that will reflect on the success or failure of the National Broadband Plan.

The first is that there seems to be an overwhelming belief across the country that economic recovery is going too slow. It's just taking too long.

And I think the broadband plan must be structured so as to be dedicated toward spurring investment and growth and, in the words of Commissioner McDowell, at least doing no harm. And I think it's important that some prompt steps be taken to actually implement reform; not just talk about it.

And the danger of the broadband plan, creating greater regulatory risk, and therefore negatively impacting investments and growth, I think is real.

And I think the second is that the electorate is saying to Washington right now that subsidies, the stimulus dollars are not being used effectively and I think there are tremendous amounts of stimulus dollars of subsidies in this industry that currently are not being used effectively and that run the risk, as part of an additional new broadband stimulus plan, of furthering the economic inefficiencies rather than correcting them.

The current Universal Service Fund is some \$7 to \$8 billion. It's a 14 percent charge on the bottom of the phone bill and I don't think anyone in this room or very few in the country would argue that it's actually being used wisely or efficiently, and now we're looking at some type of broadband support mechanisms.

Whatever of those might be adopted, I think it's incumbent on the industry and on the regulators to assure that we learn from the past and that we don't adopt inefficient subsidy mechanisms as we have previously.

Based upon all the rumors, which is about all we have at this point in time, it's going to be an extraordinarily broad and inclusive report. It's going to address virtually every difficult issue that currently exists in the industry and that has existed ever previously in this industry.

We're going to look at inter-carrier comp. That's always been simple.

Traditional voice universal service infecting incumbent rural carriers, wireless carriers, CLECs, the 10th Circuit Remand, perhaps, fourteen years and counting.

Recovery mechanisms for intercarrier comp in USF. How do you get the money? Is it a 14 percent tax? Is it an 80 percent tax or is it something else?

Broadband universal service; unserved, underserved areas; rural, urban; adoption of broadband. How do we stimulate adoption of broadband?

Spectrum policies and net neutrality and probably a number of things that I just haven't thought of. It's an extraordinarily ambitious agenda.

I would hope that at least there's some reasonable steps outlined in the document for some type of immediate reform on a number of issues. I don't think we can proceed with a new broadband subsidy mechanism without some reform of the existing mechanisms.

And as we look at a new broadband subsidy mechanism, I think it's important to, as I said before, learn from the past mistakes.

We need to fund one competitor in an area, not multiple competitors within the same geographic area. We need to fund only the low-cost competitor.

It needs to be technology neutral, but then it has to have some type of technology minimum. If it's broadband, what is broadband and what level are we going to fund? Is it 10 megabits?

Whatever it is, it needs to be something that has a sufficient capacity to manage the reasonably anticipated broadband needs within that area. And we need to try to avoid subsidizing duplicate networks.

That's not an efficient use of funds.

We also need to manage the existing fund. If we're going to create a new broadband fund, we need to find some way to manage the existing fund more intelligently so that we create dollars to move to broadband rather than continue to simply grow the existing fund.

And my apologies, Steve, but part of that has to be to reform the wireless subsidy. The billion dollars a year we're paying to wireless firms, we just cannot afford to continue to do as wireless subsidies. At a minimum, we've argued and continue to suggest that one subsidy per household per cell phone is probably enough and a good first step.

We also believe that we need to adopt rules to comply with the 10th Circuit remand. The law was passed 14 years ago now. The second decision by the 10th Circuit Court of Appeals rejecting the FCC's USF rules was decided five years ago and we still do not have USF rules that comply.

MS. TATE: Steve Largent.

MR. LARGENT: Well, thank you.

I wasn't here prepared to talk about universal service, but I would just say, we'd be glad to exit the Universal Service Fund altogether. So you can keep your billion dollars and we'll keep our \$3 billion that we pay into it and we think that would be perfectly fair.

I want to begin by saying that we believe that it's critically

important that we get the broadband plan right. We believe in the old axiom that you measure twice, cut once and we think the same thing's true here for the FCC.

So we support the FCC taking the time needed to get the best roadmap for our country's broadband plan and get it right. As that plan comes together, it seems clear that wireless will be a key player in bringing Americans broadband.

Our technology has the unique ability to bring broadband to the person and it's increasingly apparent that Americans want mobility. They want it today and they're going to want much, much more of it tomorrow.

The U.S. wireless ecosystem is thriving and that's obvious. It's bringing American consumers broadband access, cutting edge wireless devices and thousands of new applications each week. The U.S. has more 3G and 4G customers than anywhere else in the world.

According to the most recent FCC statistics, between 2005 and 2007, rural Americans adopted wireless broadband more than DSL and cable combined. Today, more than three out of every four wireless devices in the U.S. are mobile broadband capable.

There are more than 150,000 applications available for mobile broadband -- for the mobile broadband environment and with

more, many more, on the way. In just last year, seven companies have either opened or announced plans to open application stores.

So here's what we have today with regard to mobile broadband: increasing demand from consumers, fantastic new products and services, bandwidth intensive applications and high-speed network technology. And that's a pretty good combination.

But while we have all of these impressive numbers and figures to talk about today, you can see a very real spectrum crisis is looming tomorrow. It's plain simple. We don't have spectrum plans in place to meet the needs that we know are coming. They're not here today and I'll be the first to say that, but they're coming very quickly.

Cisco has reported in a study that mobile data traffic is going to double every year between 2008 and 2013 and that means the average subscriber will be using 66 times more capacity over that five year span.

AT&T believes the average mobile daily user's footprint in 2015, just five years away, will be 450 times what it was in 2005. Those are huge numbers and they're why it's clear we need more spectrum and that we will need it much sooner rather than later.

Historically, spectrum has not been brought to market quickly. Some of you might be aware of -- one of my previous careers was as a wide receiver in the National Football League. I wasn't known for

having an abundance of speed, but when you compare how I moved to our spectrum process, I looked like a lightning bolt.

It generally takes about 10 years to identify spectrum for commercial purposes, auction it, relocate the incumbents and then roll out new services and we can't afford to wait that long.

To meet the growing demand and keep the U.S. competitive with international markets, CTIA has proposed an additional 800 megahertz of spectrum be allocated to commercial wireless broadband.

As a first step, we support the spectrum inventory and relocation legislation in Congress. Both Senators Kerry and Snow and Representatives Waxman and Boucher have proposed bills that would lead to an examination of all spectrum use in the country today and set the stage for a plan to reallocate it appropriately to best serve the American public.

We're pleased that the House bills have been marked up and sent to the Energy and Commerce full Committee and hope that we can get them passed very soon. CTIA and Consumer Electronics Association have already submitted a white paper to the FCC that could help free up some frequencies, which could be considered in such a process.

Broadcasters currently occupy 294 megahertz of spectrum, yet the percentage of Americans who receive television over the air is in single

digits. The wireless industry can put that spectrum to much better use for many more people without eliminating the over-the-air programming currently available.

That's just one example. We know there are many more users who should be identified and reallocations considered where appropriate. From there we can bring valuable spectrum to auction and then make sure we expedite the relocation of those users so we can bring mobile broadband to the person in the way Americans want and expect it in the future.

The U.S. is a real leader in wireless technology and wireless broadband and if we are to continue in that role, additional spectrum must be identified, reallocated and auctioned to meet the needs of U.S. consumers.

Beginning this process as soon as possible will prevent U.S. consumers from falling behind our friends in the international community. Thank you.

MS. TATE: Thank you, Steve.

Joe.

MR. WAZ: Great. Thank you, Debbie.

Jeff, I am one of those, or was one of those, so-called public interest advocates in my youth and every time I open up Facebook, I have

trepidation that somebody's going to find a photo from back then. So far so good. I think I managed to avoid the cameras back in those days.

But even though I don't wear that hat, I think I still think like a consumer every day because, frankly, for most of the day, I am one.

And back in my days as an advocate, I tended to take the approach that a lot of my good friends who are still in the business after 30 years, a number of them, took, which is to try to regulate everything in sight.

But I came around to the view even back then that the better approach really was to be taking down barriers and getting more competition into the marketplace, and that's what I've tried to spend the bulk of my career doing. And in the cable industry, I think we managed to bring down a lot of barriers and bring a lot of terrific and exciting new services to consumers including the first residential broadband in America about 13 years ago.

So I'm looking at the broadband plan also from a consumer point of view. I'm really hoping the plan we see, to use a sort of a musical metaphor, would be more minimalist than baroque. I really hope that it will be focused and wise.

Many are encouraging the agency to be bold. I have seen 16-year-olds standing at the top of cliffs being dared to jump into a swimming

hole 50 feet below who can be bold. I'd rather we be bold and wise; not bold and foolish, and so I'm very much hoping the plan will be bold and wise.

And then I hope that when we sit down and read the plan that we will be able to say that we see a clear path in this plan to getting broadband to the 5 to 8 percent of America, geographically, that still can't access a broadband connection.

I hope we'll see a clear path to closing the digital divide by getting more broadband adoption across the country and addressing effectively, programmatically, holistically, the things that stand in the way of more consumers using broadband. Everything from, "It's not relevant to me," to, "I don't know how to use it," to affordability.

And "affordability" in the conversation is about where we go with regard to subsidies; whether we patch to the dirigible of USF or look to creating a new, sleeker, consumer-oriented subsidy program for broadband.

I think those are going to be important questions. And I hope that we will see good and actionable ideas. And I also hope ideas not limited to what the FCC can do, but to what the rest of government should do to take a holistic and effective approach toward making America the most connected nation on earth.

Now, there is one rumor I picked up last night that there could be as many as 40 notices of proposed rule-making proposed in the plan.

I know that if you want to get rid of rules, you sometimes need to have a rule-making, but 40 is a scary number no matter what the purpose is. So I'm hoping Paul will disabuse of that this morning.

When folks sit down to read the plan, some are going to be disappointed and I think some are going to be very pleased.

Let me tell you who I hope will be disappointed. I hope that people who favor massive taxpayer expenditures on broadband networks, not because there's no broadband available, but because they prefer state-owned networks, will be disappointed.

I hope those who want to regulate networks within an inch of their life will be disappointed. And I hope those who want to ask the FCC to strain its authority and bollix up the works so that we get more preoccupied in Washington with regulation and litigation rather than with broadband growth and investment, I hope they're disappointed.

And those who would have the FCC micromanage broadband business, I hope they're disappointed.

Let me tell you who I hope will be pleased: the companies who have to invest a \$300 billion-plus to get us to the next level of broadband.

I hope they will be pleased and that they, Wall Street and those who finance this build-out will be pleased.

I hope the companies and entrepreneurs who are creating the applications that are taking advantage of expanded broadband deployment and adoption will be pleased.

I hope people in the remotest parts of this nation will be pleased that there's finally an answer to get them affordable access to broadband.

Those who have not yet adopted broadband in African-American and Hispanic populations; low income populations. I hope that they will see that there is hope in programs for digital literacy and targeted programs to promote affordability.

And, finally, I hope all of us who see that broadband really is a means not an end. That what all this should be about is national purposes such as energy savings and economic growth and improvements in healthcare and education.

I hope all who are looking to what broadband can make possible, but who also recognize that building broadband alone is not going to get us there.

There are still many barriers to be broken down to optimize the benefits of broadband to achieve these national purposes. I hope they,

too, will be pleased by what the FCC has to say.

MS. TATE: Thank you. Thank you so much.

So Stuart, you want to take it from there?

MR. BENJAMIN: Sure.

So first there's only one comment that I feel I have to respond to, which is, I like Peyton Manning fine.

I'm from New Orleans. I was in the Superdome this past Sunday, so let me just make it clear who I think is going to win and should win the Super Bowl if there's a god. But we'll know in 10 days.

So I have an unusual position here in that I've spent most of my career taking pot shots at the Commission. Right? Looking at the outside and saying, "Why in the world do they do this? This doesn't make any sense." "What were they really thinking?" That kind of thing.

And for me it's been a fascinating experience now to be on the inside. I can't speak to previous Commissions. I can say for this one, in every discussion that I've been a part of, the question we've started with first is "well, what do the data show?"

We've got a bunch of comments. And there's been no discussion that's been leading with ideology. There's no discussion that's been leading with, well we've got to manage to this outcome. And what

can I say as a citizen, as a taxpayer: I find that particularly gratifying.

A second thing that I find gratifying, to focus on the broadband plan, has been: “what can we do that’s going to be win-win?” “What can we do that’s actually going to promote innovation so that, with any luck, not many groups will find themselves losers when all is said and done?”

Now, I don’t want to be Pollyanna about this. We know everybody has different policy perspectives and some people are going to like some parts of the plan more than they’re going to like other parts of the plan.

But I think the motivating goal underneath it is to try to find ways to increase innovation, to increase investment in a way that I actually think most people could coalesce around.

So of course there are going to be policy judgments that are imbedded in there, having arisen out of the comments that we got in the process and all the data that’s flowed. And it’s a massive amount of data. It’s a massive amount of information now that’s been swirling around and brought to bear.

And so I suppose the final thing that I want to say is, I really do think this is going to be approached in the Commission as, “this is a chance to really think about some big issues and put a lot out there.”

I have no idea about 40 NPRMs. Last I heard, it was 39.75, but who's counting?

No, I have no idea. That number's completely new. I have no idea. But I can say that there really is a sense of "let's try to think about every big issue that can be coming out that can affect broadband."

Not that we're going to come Solomonic from on high -- no, that's right. Olympic from on high and sort of say, "Okay, now here is the answer and we're going to impose it on the world," but actually "let's try to do some hard thinking about it and make some proposals and put some recommendations out there and see how people react."

Knowing, of course, that the ultimate answers are going to come, to some degree, from policy makers, but to a larger degree, from what people from the ground up do in response; from what people who were actually engaged in decisions about where they're going to invest do, and we're not going to be controlling that and we understand that.

MS. TATE: That's great.

Paul and then Tom, maybe, if you could respond as well.

MR. DE SA: Perfect. Thank you.

First let me thank the Free State Foundation for the invitation to be here. That really is a privilege and I very much appreciate it.

I thought I would start just by talking a little about the

importance of the plan. Because I think there's a lot of discussion obviously about the details and specific things like USF. Let's just step back for a second and remind ourselves what are we trying to do here.

The plan is not a tactical plan for the FCC. The plan is not a silver bullet to solve every telecom issue that's been in existence for the last 10 years. The plan is a strategic plan for the nation.

It's a plan like 15 or 20 other countries around the world have done to think about how to improve the broadband position of the United States both in terms of the adoption and deployment of broadband, but also in terms of using -- viewing broadband as a means to an end and "what should that end be?" So this is something that is going to be strategic.

We have to balance a vision with concrete goals. We're going to try obviously and get as many things right as we can, but we won't get everything right. There has to be a process there for revisiting the vision, revisiting the goals, having some concrete, fact-based metrics, seeing how we're doing.

So this is a strategic plan for the nation, not a tactical plan for the FCC. The second thing I think is there's obviously a lot of discussion about what's in the plan and what's it going to say and all the speculation.

It's worth reminding ourselves a little bit about, aside from

what's in the plan, a couple of other things that are important about the plan. The first is what's not in the plan.

I spent about 10 years in the private sector doing strategic consulting, doing strategic planning for large corporations and one of the things I think is a lesson from that is that what's not in a strategic plan is as important as what's in it.

What's in it lets you decide what to focus on. It also lets you decide what not to focus on.

The FCC, obviously, has limited resources. We want to be efficient. We want to be focused. We want to spend our time doing the things that are important for the country and so part of the point of the plan is just to figure out where that focus should be, what strategic issues we should be focusing on.

So what's not in the plan is as important. The other thing that's important, and I hope that many of you have seen this as we've gone through the plan over the last few months, is the process by which we're trying to formulate the plan.

It's been, I think, a very inclusive process for us. It's been extremely helpful. We've heard from so many people from different stakeholders, public interest groups, companies. Companies that normally wouldn't come to the FCC. We've made a special effort to reach out.

Having a blog, having Internet, having workshops has been really a mechanism for us to hear from people who I think are not normally involved in formulating national policy and for whom it's extremely important that we hear their perspectives, get the facts that they're willing to submit.

One of the aims of it is to break through the silos that often exist in policymaking and take more of a holistic synthesis approach. So what we're trying to do with the plan is break through the silos.

For example, at the FCC -- with our wireless bureau, wireline bureau, media bureau -- many of the issues relating to broadband are obviously crosscutting issues. So being able to synthesize, being able to take a high-level view, being able to crosscut across different agencies.

So the plan will not just talk about FCC actions, it will obviously talk about actions that involve other agencies, it will recommend probably some congressional actions that will be important. So being able to take a holistic, strategic view is really the goal of the plan.

The last thing I'll say, just to touch on a few themes that I think you'll see in the plan, first, is innovation. Obviously there's an important role for the government in terms of fostering innovation.

We understand that innovation is done by the private sector. But there's obviously a government role in stimulating it.

Also, as the Chairman said in his speech at the Aspen Institute a few weeks ago, it will recognize that innovation has many aspects; right? Innovation is not just the R&D technology innovation that people often think about. It's also business model innovation.

So, as Commissioner McDowell was talking about, thinking about how companies earn that return on the invested capital that they're optimizing for. What are different business models? There's a lot of innovation and very valid innovation going on around business models and we want to obviously encourage that. There's also social innovations.

So you think about many of the applications that start in the private sector end up having enormous social benefits. The YouTube cat playing the piano turns into an MIT lecture. It's very, very important to encourage that kind of social use of innovations that are developed in the private sector. So first theme, innovation.

Second theme, obviously, is investment. The FCC -- unfortunately we don't have billions of dollars to invest. We need to create a framework that stimulates private sector investment. And in the FCC at the moment, one of the things that I find very encouraging is there are many people with private sector backgrounds, people who have spent a lot of time in the private sector.

As many of you know, the Chairman spent a lot of time in the

private sector. We're used to thinking about how companies operate. We don't have a theoretical view of that. We have a practical view of that and we understand that, in order to invest, people need a return.

The people need to have a return on the vested account a little larger than their cost of capital for things to work and we understand that that's an important thing as we're thinking about policies, that that system doesn't get broken.

So innovation, investment, and the last piece is inclusion. Obviously an important role for the government is inclusion, not just with funds like Universal Service Fund, but thinking from a national view as broadband gets more important, as the uses of broadband get more important for healthcare, for education, for interacting with the government, we have to make sure that all of our citizens are included in that.

It cannot be the case that what people have talked about as a digital divide has only grown exponentially. If you couldn't get dial-up, that was one thing. If you cannot get broadband, you cannot apply for jobs. You cannot participate in education. You cannot participate in the kind of benefits that Commissioner McDowell was talking about. That is an unacceptable thing for the nation.

So in making sure that that inclusion policy is fulfilled in an

efficient way as possible is the last kind of theme that you will see running through the plan.

MS. TATE: Thanks, Paul.

Tom, just give us your perspective and also how you see NTIA and the broadband plan working together and coordinating since you all are already in the process of handing out billions of dollars.

MR. POWER: Right. Great. Sure. And thanks for inviting me. Thanks to Randy and the Foundation. A pleasure to be here.

Before I dig into the substance, I just wanted to make one comment on the introductions.

Debbie, you described Joe as an all-around good guy and we all know that to be the case, but in defense of the rest of the panel, I just want to say there are at least two really good guys.

So, this is such an enormous task and Blair and his team, I know, have been just knocking themselves out. And when they got the extension from February 17th to March 17th, I don't know if that was a good thing for them or a bad thing for them because it just meant more work.

I actually sent them a note asking – “how did he get more time?” and whether NTIA could get a little bit more time somehow. And this is true. He wrote back and said we could have February 29th and

30th.

So there are so many levers here and some of the big ones have been touched upon already, universal service and spectrum, of course. One of the lessons we've learned from the BTOP is one that I wanted to talk about here and maybe one that's not so obvious.

We've been handing out grants now under the BTOP broadband plan -- broadband grant program as well as the BDIA, the mapping and planning grants that go to the states.

Since the end of last year, with both programs, we've gotten out about 66 grants and about \$300 million. And one of the things that we've seen emerging, and now are encouraging, is the strength of collaboration and partnerships, and they can take three different forms.

In BTOP in particular, we've been encouraging at the local level public/private partnerships. So anchor institutions or local municipalities or states or regional development authorities, the public groups that have the long-term interests of the consumers at stake marrying up with the private folks, the folks who do the stuff for our business and can do so successfully.

And we're seeing a lot of take-up on that. We've established a new online tool, "broadband match," we call it. We also call it "E-Harmony for broadband" because the idea is to have potential applicants

and participants find each other online. There's a joke there somewhere.

But it's been really successful. We've gotten over 700 folks signing up and they're municipalities. They are ISPs. They are tribal organizations, contractors, libraries. Just every aspect you can think up.

So we're encouraged by that going forward and particularly with respect to the plan. One of the things we've been talking about internally at NTIA has been taking the knowledge we gain from the BTOP program. And even after September 30th when all of our funds have to be obligated, we'll be able to put that knowledge to work.

Kind of a SWAT team that could be a resource for small businesses or tribal institutions or other anchor institutions throughout the country and using the knowledge we gain to help folks even if they don't have BTOP funding available to them.

To take advantage of the lessons we've learned and to see what works and maybe what doesn't work for deployment of broadband. And then there's a third level of partnership which we can envision which would be the federal level.

Broadband adoption rates we've seen are lower in certain demographic and geographic communities which tend to have other federal agencies targeting them.

So it's tribal organizations, schools, people with disabilities --

different areas where there are constituencies out there who have a lot to gain from broadband.

Maybe some don't have the adoption rates of others, but with our sister federal agencies there are already channels set up and infrastructure set up to help support them. And so our ability to work with those other agencies is another form of collaboration or partnership that we could see coming out of this.

Now, all this assumes good knowledge, transparent data -- the mapping program, for example, that we're putting together. We're collecting data in each state, thanks in large measure to the collaboration with the companies that are represented up here, to create maps in each state and then the national broadband maps so the consumers can see where broadband is available in their neighborhood and what kind of broadband and at what price.

And that's also, of course, a useful tool for policy makers at the local, state and federal levels. We're also having reporting requirements for BTOP recipients. And, again, that data can get fed into the map and allow NTIA to serve as a clearing house of data and best practices going forward.

There are a ton of other initiatives and plenty to talk about here today, but I just thought I would highlight this idea of partnership

and collaboration because it's one that we see as having great promise.

The one other thing I'll note -- I'm a believer in omens sometimes. Something happens and I try to figure out how to apply it to what I'm doing. And I saw the death of J.D. Salinger yesterday and I went through my dog-eared copy to see the things that I had underlined 30 years ago or whenever it was I first read it.

And there's a quote in there where he says, "All you have to do is say something nobody understands and they'll do practically anything you want them to."

And I hesitate to bring that up because we need clarity. We need specifics. And, of course, at NTIA, we'll be very focused on getting the broadband plan and then coordinating with the administration, all the agencies, to see what the recommendations are and how we can help implement them.

MS. TATE: I thought you were going to move right into a discussion the Kindle and the new iPad.

I don't want to be the only one up here who doesn't applaud the chairman and the FCC because I think we all agree that this has been a long time coming.

I really want to applaud them for their openness and transparency, the workshops all over the country, the 30 plus PNs, and

now I guess that will turn into 30 plus NPRNs, and all the outreach to many constituencies who are unserved or underserved.

I want to follow up a little bit on Joe and Steve's point just to ask you about the plan and it hearkens back to the DTV transition because what we really tried to do was figure out who needs help and how do we get that help to them.

So we went, for instance, to the 83 top DMAs as you all know and we had plans to do that outreach. We also can't forget all the positive things that have gone on. This has been the fastest transition in history; faster than electricity or TV or any other utility with \$100 billion being spent since '07 from the private sector. And we are number one in a lot of aspects.

I think Steve mentioned more 3G and 4G subscribers. We're number one in connections to libraries, hot spots, wireless connections. We're number one in all kinds of connections, although there are gaps and you all mentioned many of those.

We know that minority adoption is 10 to 15 percent less than the average subscriber. Seniors, 38 percent less than people under 30.

So what are specific strategies that either you all are recommending to be in the plan, or that possibly you've seen in states and communities, whatever? We're going to discuss Lifeline and Link-Up a

little bit later with USF.

We know that there are rural issues, low-density issues, low-income issues, and so it's also interesting that we're always talking about connection to homes.

Steve, you may want to talk a little bit more about how our whole society and especially the younger generation is mobile -- is home really what we have to connect?

I'd just like quickly to go through. Many of you all mentioned some of these issues, but what are maybe the top one or two or three realistic goals that we might be able to see in the plan, or that you hope to see in the plan that would really help target this so that Blair and the broadband team can quit working 24/7 and quit eating pizza on the weekends.

MR. CAMPBELL: As most people have, you have to "bucketize" into deployment versus adoption files, and so I'll try one for each.

I think on the deployment front, we have to focus both on the unserved. And I think that's something that clearly is being focused on and there's a lot of that's going to be a money issue. How do we serve the uneconomic?

But there's also the underserved which we have to be careful

about; people who have some access today, but the quality of the access is not world class.

This is a critically important economic issue for the country. Because if we do not have the largest part of our market in the broadband marketplace at the world-class speeds that are available in other places, we will not be the nation that develops the applications to operate on these very fast next-generation speeds.

And so either they're going to be developed here, as traditionally most of the development in this industry and the wealth and economic benefits that have occurred, in this country. Or if we don't have the infrastructure for that, it's going to happen in Japan or Korea or China or somewhere else.

On that point we have to be very clear that we need to have world-class quality in the infrastructure, not just the availability.

And then on the adoption fund -- pushing adoption is kind of like pushing on a string. You feel like you're not getting anywhere as you keep pushing.

But there are so many different ways you come at this and you can hit so many different people from different things. What the government should focus us on is a few key areas where it has a lot of control and influence over things.

Healthcare is clearly one that I think has to be done and I think education may be the other which is almost entirely government-funded.

If you can give people a reason to get on broadband for things that are real in their lives, the education of their children, job retraining for themselves, healthcare issues, improving quality in those areas; if you can find a real-world reason for people to get on there, then they will go and discover all the other benefits that are there.

And I think that it might be better to be a little more focused on some of these things when possible.

MS. TATE: Great. Steve.

MR. DAVIS: I just might speak to adoption very quickly because I think we need to look at adoption the way a company might look at a marketing plan or going to market.

There are so many different concepts and ideas of how to stimulate adoption. I don't think we have good market data as to which worked the best. Is it a subsidy of the computer or the hardware? Is it the sign-up cost? Is it the monthly? And is it the speed and does it differ from geographic market to geographic market?

We've found that when we get a bunch of people in a room and they all think of great ideas, often the really bad ideas they have they

come up work a whole lot better than the ones that they thought were really good once you go out and test them in the market.

U.S. Telecom has submitted a proposal along these lines to go out and do serious market research to find what types of adoption techniques work best in different markets before we go deploying resources to facilitate that adoption.

MS. TATE: Great. Steve, and then Joe maybe just quickly.

MR. LARGENT: I would just say that the adoption rates for wireless broadband for, particularly, the minority groups in America, Hispanic, Black Americans, is much higher than you typically see with other devices. And so we find that very encouraging and we also say that, in terms of access, right now 92 percent of the country has access to wireless broadband.

So the question is, how do we reach the other four, five, six, seven percent of the country? And our companies actually are making a proactive move. It's one of our goals this year for the association is find a way that our companies collectively can put towers and put service in areas that don't have it today.

MS. TATE: I have one of those. If I could --

MR. LARGENT: You want one of those? Okay. Would you be the unserved or underserved? Either way, the point is is that the private

sector is looking for ways to try to reach out and touch those that are not currently touched today?

MS. TATE: Joe, quickly.

MR. WAZ: In addition to the partnership we have with one economy and CTIA does as well, a program called Digital Connectors which I think is a fantastic way to get at the grassroots and break down barriers of digital literacy and then proselytize the benefits of broadband into low-income communities.

I think the other single-best idea I've seen up to this point was brainstormed by Kyle McSlarrow who'll be on the next panel. The Adoption Plus proposal that Chairman Genachowski and Blair Levin have both endorsed as far-sighted and, again, holistic in the sense that you try to target a known population -- low-income families with middle-school children where penetration is known to be low. And you address it through digital literacy in the schools as a prerequisite to qualify for equipment assistance and the cable industry has offered a 50 percent discount on monthly broadband rates.

So I think that's the kind of partnership we need to look for here.

MS. TATE: Great. Let's move on and talk a little bit about USF reform, near and dear to my heart as you all know. That looks like it

will be included in the broadband plan.

Two years ago, I was called up to testify before Senate Commerce. The FCC and joint board had workshops all over the country. We had thousands of comments and filings. Formal recommendations were made to the FCC two years ago and about 13 months ago. It looked like we had a consensus at the FCC.

I'm interested in where you all think that is headed. Is something going to happen? I saw that Chairman Rockefeller, for instance, introduced the concept of a two-year pilot for Lifeline Link-Up.

I had written about Lifeline Link-Up being expanded to broadband for low-income families since it's a program that already works and just wondered what your thoughts were. Maybe we could start with Jeff.

MR. CAMPBELL: I wish I could confidently stand here and say I think we're going to see some major change in universal service.

This is a very difficult thing because it impacts so many different pieces of the industry and so much different money.

I would just suggest that as with many things, it's probably more important to actually start doing something here than what it is that is done at the beginning, because it will start the process moving forward.

Whether it is putting some money from the fund into

broadband, which may then cause people to see what the benefit of that is and to create more political support for moving more aggressively in other areas. Or starting to deal with some of the intercarrier comp messes that have to be dealt with here.

But we've been talking about it and talking about it and a talking about it and the reality is that nothing has changed in an extended period of time. I can hardly see how we could have a worse situation than what we have today.

So I'm for any change to get moving, but I also think that movement will cause more movement later on and eventually we'll get to something that's useful.

MS. TATE: Steve and Joe, my point is: do we have to wait for a broadband plan to come out and then all the NPRMs after that or can the FCC just go ahead and move forward?

MR. DAVIS: Can they? Yes. Will they? No. As a company, we receive practically no broadband or USF support whatsoever. Almost any relief would be positive relief for us as well. So I'm with you on that.

The one thing I'd just caution against is continuing to make the fund larger and there's a significant risk that if we decide that we need to fund broadband deployment to unserved and underserved areas, the money for that has to come from someplace. By definition, those areas are

non-economic to build to.

And creating an increased fund in order to do that is very dangerous. Instead we need to reform the existing fund in order to facilitate that broadband deployment we'd like to see.

MR. LARGENT: I would echo those comments, too. And I think over time we're going to see take place in rural communities the same thing we're seeing take place in metropolitan areas today and that's the replacement of wireless over wireline. Today it's like 21 or 22 percent people do not have a wireline phone and I think that is a trend that's going to continue.

I don't think that wireless is going to take over the world or anything like that, but I think there is going to be a replacement of wireless particularly in rural communities as we're able to deploy our services there and we're doing that as quickly as possible.

MR. WAZ: It will take a great act of political will to redo the subsidy systems for the future. We need to find our way there. I do think there are a number near-term steps that can be taken. NCTA filed a petition with the FCC on a way to get back a billion dollars.

It could be put toward broadband by more efficient current subsidies. For all the intellectual energy that goes into some of the issues that we are spending most of our time debating like on the next panel, it

would be phenomenal to get that kind of intellectual energy put into fixing the subsidy system.

MS. TATE: Great. I'm going to be very fast because I think all of you all are interested in spectrum and while I have Stuart right here next to me. Obviously, we've heard about all the increased demand for spectrum, the rich applications. Stuart, maybe first of all for any broadcasters who might be in the room, you might be able to talk about what you said on the communicators?

And then for the rest of you all there's been a quote that says, "The collapse of the wireless ecosystem will occur in the next five years."

The FCC adopted a white spaces order over a year ago while I was there. We seemed to have some kind of emergency about getting the D Block auctioned off and where's that? We'll start with you, Stuart, and then quickly move down the panel.

MR. BENJAMIN: All right. I'll try to be as quick as I can. So first, let me just remind everybody, of course, this decision is up to the commissioners and up the Hill and it's not up to me.

But I think there's a clear sense in the Commission that spectrum really is the oxygen for the mobile world and it's really tremendously important to get as much spectrum online as available. I mean the numbers that Steve was talking about -- we all know it's true.

The levels of mobile usage are just exploding and so the question is what can you do about that? And one of these we haven't talked about that's more in NTIA's bailiwick, but obviously is relevant here is: since a lot of government users use a huge amount of government spectrum, one of the interesting questions is, how can we try to incentivize government to use spectrum more efficiently?

How can we have them internalize the opportunity costs of that spectrum, and are there ways to try and do that that can make a really big difference?

On the commercial side which she's referring to, what I said yesterday on C-SPAN, I'll say it again today. I just don't see broadcasters being forced off the spectrum.

That will be good news to some of you and bad news to others of you. I just think it ain't gonna happen. I just don't see that the commissioners and members of Congress are going to support forcing all the broadcasters off the spectrum.

So there's obviously going to have to be, going forward, lots of really creative decisions being made and lots of ways. Now, this is really speaking just for myself. It's not the Commission's view.

To move toward more flexible uses so that, with any luck, spectrum can be repurposed efficiently and quickly so that Steve's

grandkids aren't the first ones that get to use the new spectrum that we're now talking about today. This is speaking for myself personally.

I'm totally persuaded by that and I think that the commissioners are totally persuaded that this is a huge, huge issue going forward; that other countries have managed to devote more spectrum to wireless than we have and that it turns out that this is something that consumers value tremendously.

You all know the stories as well as I do about McKinsey, actually, being hired by AT&T, what, 30 years ago to project total cell phone demand. Does anybody remember the number that McKinsey had predicted? I want to say it was 600,000 units they had projected. One million. There we go.

One million units was the total that McKinsey projected. Why would you have a phone at home and a phone at work. Why would you need one in between? Right? Turns out that everybody got it wrong.

MS. TATE: Great. Wonderful. Thanks.

MR. CAMPBELL: I'll just put one footnote in here which is: as we think of spectrum needs going forward, obviously we need a lot more spectrum for licensed services given the booming demand.

But we also need to think about unlicensed services as well

where we're probably going to need additional spectrum as well and recognize that unlicensed services act very complementary to the license services as well as the fixed services as well. And it's just another piece of the puzzle that shouldn't be forgotten.

MS. TATE: That means that it's time for Q&A. But let's go through this panel first. Let's finish the spectrum discussion very quickly.

MR. LARGENT: Well, all I would say is that: do we need more spectrum today? No. Will we need more spectrum tomorrow? Absolutely. The demand is ever increasing the wireless world.

There's going to be more data, more applications that the usage is going to go through the roof and we're going to have to have more spectrum to carry that kind of information.

MR. POWER: From NTIA's perspective, obviously I agree with Stuart. Finding more spectrum has to be a joint effort on both the federal side and the private side.

In surveying the agencies that use spectrum, one of the challenges that they face is just trying to plan for this. The spectrum that they have and that they use, they make investments around that and so you have satellites that have a 20-year life that you can't just stop using or replace easily. And that's just one example.

There's a lot of that investment that goes around the spectrum

allocations that they've already received. And so it takes a lot of planning to figure out how you're going to shift. You know, there's answers to be found out there, but they're not easy, and the agencies have other responsibilities, getting their core mission done to be able to devote the resources and the people to just figure this out without any additional funding or something that we hear from them as being one of their biggest challenges.

We're certainly looking very hard at this. There's the spectrum inventory legislation pending. We're already preparing for that. We think it's a great idea to do that inventory and to make the findings of that publicly available.

We have our advisory committee, the CSMAC, back up and running again with Brian Tramont and Dale Hatfield bleeding the charts there and we're looking forward to that. We have our test facility out in Boulder that is doing testing on initiatives for spectrum sharing which has obviously got to be a piece of this as well.

But, of course, the agencies have other needs of their own. Some of them actually have growing needs for spectrum, but we know it's out there and we know that between the federal users and commercial users, we think we can figure this out, but it really is a complex task and I think sometimes the agencies are unfairly thought of as being hoarders.

I think they just have a really hard time solving a difficult problem with limited resources.

MS. TATE: Paul, will that be something that OSP really takes on after the broadband plan?

MR. DE SA: I think it will be. We'll be working with the wireless bureau to try and get this done and I think in the plan, generally.

I have to say the goal is to try and disentangle a lot of these aspects that we've heard. You know, the short term, the long term, the how much spectrum is to how efficiently is it used. How much can you get back? Who should you give it to? Should it be licensed, unlicensed?

All these issues, I think there's lots of different aspects and everyone has a take on pieces. Again, the goal here is to try and have in the plan, some kind of holistic view that we can then act on going forward.

MR. WAZ: These last few months I've been getting to know and love broadcasting more than ever. But in this, there's no question there is a need to figure out where the spectrum comes from for the future. It's great that the spectrum inventory legislation is moving.

It's great to hear some of the fine minds like Dale and Brian that are engaged in this and there is room for maximum creativity here. There has to be.

MS. TATE: Great. Yes, sir.

QUESTION: Jerry James, Comptel. As oxygen for the wireless network is spectrum, also last-mile connection is very important to existing networks that are expanding and growing. I would like to hear the Commission staff talk about: is there going to be some short-term consideration of things that could have immediate impact on adoption and as well as deployment, expansion via special access reform, and retention or preservation of the copper network that already technology has proven we can deliver up to 100 megabits over in video as well as other applications or the existing network? So is the Commission really looking at short-term things that can also have that impact? Thank you.

MS. TATE: Paul?

MR. DE SA: Yes, we absolutely are. On the two issues that you mentioned, in particular, we have a special access public notice that we put up before Christmas that closed last week. Trying to figure out what, in the short term, we can try and do about special access which seems to be another problem that's been around for about 10 years.

Obviously, not a trivial problem to solve. But some areas, hopefully, where we can take quicker action as opposed to actually having to reinvent the entire system, which is obviously going to be a long, drawn-out process.

So certainly special access is something that we're looking at

closely. And then also the copper; certainly lots of people have been in to explain to us about the importance of copper and copper retirement or not retirement and so it's definitely something we're looking at.

MS. TATE: So not within the broadband plan, but just separately?

MR. DE SA: Well, both. In the context of the broadband plan, we were looking particularly at the middle mile as it affects deployment of broadband.

So many rural areas, for example, where that middle mile isn't there. So there will be some talk about it, but I think it's going to be special access in particular as something that gets solved in that separate issue.

MS. TATE: Another question?

QUESTION: Hi, Sean Hayne from Pillsbury. I have a question for Mr. Benjamin. I represent broadcasters. Would you like to join me deep sea fishing in the gulf stream at night tonight?

I actually do have a question for you. I, of course, read your article. Being from South Carolina, I've roasted a number of pigs myself. Maybe burned down a few houses.

I read your article perhaps not as negatively as some broadcasters did. I read a bit of tongue-in-cheek and what I read is the

point that regulation can so burden a business that it can't make a go of it.

And I wonder if the converse is not also true; that if you have a highly-regulated business that is not making it, perhaps one of the places you look to get better utilization, better efficiency, better usage, more evolution would be toward deregulation.

Particularly, when you're talking about a business that is granularized by regulatory fiat into being very small businesses, 6 megahertz and a handful of markets trying to provide spectrum-based services competing, in a sense, with businesses with ten times the spectrum going coast-to-coast.

I mean is deregulation also a potential path to getting more efficient utilization of the broadcast spectrum?

MR. BENJAMIN: Yes, the article was, I think you could fairly say, tongue-in-cheek.

I thought adding a modest proposal at the end would sort of tip people off. You might have noticed the last line of the article was, "Spectrum regulators of the world, unite. You have nothing to lose, but your jobs." That might also might have been a hint about tongue-in-cheek.

But also to your point. Anyone who knows my work knows that I'm not ordinarily thought of as being somebody who's a big fan of

regulation. And I think that's clear throughout my writing. So the real point that you're getting at is an important one.

Regulation is going to have a very serious impact and regulators need to think about it carefully. I really do want to highlight the real point of the article, speaking just for myself now -- this is not for the Commission -- is if we can move to a world of flexible use of the spectrum, then we can let, from the bottom up, consumers and companies figure out what it is they want to put on.

And whatever it is that I think or that we in this room think because we're probably going to be wrong. I'd rather see a show of hands, how many people two years ago when they first heard of Twitter thought, "Oh, that's going to take off." I can certainly say I heard about 140 characters and it turns out massively successful.

So speaking for myself, my view has always been, let's have the maximum flexible use of the spectrum, which is a deregulatory option. And then let's just see what arises out of that.

QUESTION: McKinsey, ITS America. I absolutely agree with the sentiment that it's the means to an end. Heard lots of discussion about the potential of broadband to revolutionize healthcare and education and energy. How much consideration has been given to the potential to revolutionize transportation in the preparation of the plan?

MR. POWER: Paul, to you.

MR. DE SA: I'm trying to think about the transportation conversations that we've had. We've looked at it. I'm not sure there's any particular burning need compared to the other areas that you mentioned.

MS. TATE: Yes, sir. Quickly.

QUESTION: Hi, Michael Sullivan, Wilkinson Barker. We've heard some discussion about how the broadband plan may get into the areas of USF reform and intercarrier compensation, but those two areas taken together are about as intractable as healthcare reform. Is it realistic to think that the broadband plan can actually move the ball forward on those two areas.

MR. DE SA: I think it is. Again, I don't want people to expect that broadband plan is going to have 100 pages of the answer on USF, Blair even working 24/7 for six months. We can't do that, but I think it can move the ball forward.

The conversations we've had with people from all sides have been extremely encouraging. I think there is consensus around certain principles, certain views, thoughts around what the funds should be targeted at.

Obviously, as we go through at least one of the NPRNs which will be, I'm sure, on universal service and it actually comes into thinking

about the dollars and the redistributive impacts it's going to get more complicated. But I'll tell you, I think the mood within the Commission is optimistic that we can, at least, move the ball forward somewhat.

MS. TATE: Thank you all so much and would you please join me in thanking this panel.

MR. MAY: I want to thank Debbie Tate for doing a terrific job of moderating and also the panelists. That was a great discussion and I'm just going to ask the panelists for the net neutrality panel which is next to come right up if they'll come up. Thanks again to all the panelists.