**REMARKS**
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Thank you for your warm welcome and to Phil Weiser for inviting me to address this prestigious group.  And thanks to everyone here who has made the past couple of days in Denver so informative and enjoyable.

It seems I missed an interesting few days in FCC world.  First was the meeting that never was in Nashville.  I think there are still panelists waiting to testify, thinking it's just another late-convening meeting.  Now I learn that I missed helping pick out the NASCAR driver who's going to race the FCC around the DTV track.  Let's hope he doesn't crash.  That would be an ominous omen.

Next up is our Commission meeting on Election Day, November 4.  I can hardly wait for that one.  Let's see—for openers we have Universal Service reform.  Then the tangled web of Intercarrier Compensation.  A couple of little transactions involving Sprint-Clearwire and Verizon-Alltel.  And a non-controversial spectrum issue about something called "white spaces."  Talk about top-heavy!  I've put in for my absentee Presidential ballot for that day, as I think Commissioners will all be trapped on the 8$^{th}$ floor all day and night on the 3$^{rd}$ and I frankly wonder if we'll be able to convene on the 4$^{th}$ before the polls close in California.

Seriously, we're just beginning to see some of these items, they are obviously deep in the weeds, and I don't think most of my colleagues feel comfortable yet in saying much about them.  In any event, they are not what I came here to talk about today.  Because big as these issues are for our future, there are some deeper questions we need to be asking, and dialogues we need to be opening, about larger changes taking place that are transforming our communications environment.

Over the next several years—and it will take a while—our country's communications environment will be profoundly transformed.  The implications of these changes are enormous—not only for our arts and entertainment, but for our core American values such as preserving the civic dialogue upon which our democracy depends, nourishing our cultural and ethnic diversity, and for how we all relate to one another.  A lot of us have theories and conjectures about how technology is affecting and will continue to affect our media—but I don't think there are many of us who can claim to have much in the way of certainty.

Perhaps that's not surprising.  It's not easy to focus on a target that is constantly moving.  On the flight out here, I was remembering back to 1970 when I first went to work in the United States Senate and how communications were back then.  The fanciest piece of work-saving equipment in the Fritz Hollings office was our robo-machine that cranked out some really awful-looking mass mailings.  Everything else was typed by hand and when IBM Selectric typewriters came along, we all fought tooth-and-nail to be

one of the lucky few to get one.  When Senator Hollings dictated even a minor change to a speech draft, his poor secretary had to retype the entire text—sometimes into the wee hours of the morning before the speech.  When we needed to phone back to the state, we had a WATS line, but initially the Senator had to share it with a more senior colleague, the legendary Richard B. Russell from Georgia, so when Senator Russell wanted to get on, freshman Senator Hollings had to get off.  Saying that world was primitive doesn't get close—it would be just plain unintelligible to the kids of the Internet Generation.  That was before the great technology flood and the knowledge tools that have so dramatically transformed everything.

But I'm not here to revisit the Ghosts of Communications Past.  I'm here more to talk about the future.  Let me begin with four basic ideas about how the Internet both *is* and *is not* going to change everything.

Change Number One:  The Internet *is* going to change the way media is delivered—rather than learning about the world's great events through big sheets of paper delivered to your door before dawn, or waiting for the mailman to deliver your movie from Netflix, we will be doing much of our reading and watching our entertainment on some sort of device connected to the Net—a lot of it wirelessly.

Change Number Two: The Internet is going to change business models— obviously for entertainment, but also for information and for how people in media and journalism make their living.  Indeed, the current model of journalism that has too often crowded valuable political coverage out of traditional media—covering city hall and the state legislature, for example, or doing in-depth investigative reporting—is ripe for re-invention in the Internet Age.  We can do that right or do it wrong.

Non-Change Number One:  The Internet is *not* going to change the need for citizens in a democracy to be informed about politics, nor will it change the fundamental importance of having a media that reflects America's diverse ethnic, religious and cultural backgrounds.

Non-Change Number Two:  The Internet will likely *not* change the fact that pure commerce has never produced the full range of news and cultural programming this country needs.  In a world run purely by free market principles, we wouldn't have had C-Span, McNeil-Lehrer, or even the *New York Times* or *Washington Post* (which benefit from ownership by very remarkable families).  The current system is not on-track to get us from here to there.

We don't know when the Internet-changed media environment will be complete.  But putting these four points together, I see two critical challenges.  One is getting the technology of the new age out to all those who will live in that new age.  The other is how to ensure that this technology serves us as citizens.

Let's begin with a point that historian Paul Starr has made—delivery systems matter and government choices can make all the difference in how those delivery systems

develop. For example, the federal government decided near the beginning of the republic that it would subsidize the postal service. The result? Newspapers and newsletters made their way to the frontier and smaller cities *very* fast—much faster than in Europe. America's choice about how media would be distributed reflected our democratic values—and there were more newspapers, a more active public debate, and a more educated and involved citizenry because of it.

The federal government made very different choices when it came to handling our nascent broadcast industry in the 1920s and '30s. There was a real movement in the 1920s to give licenses to local educational and non-commercial institutions. But the commercial broadcasters won out and we ended up with public airwaves dominated by a handful of national networks operating under the condition that they serve the "public interest." Although we've seen some changes over the years—like the advent of public broadcasting in the '60s which opened a space for non-commercial voices on the dial—much of the original blueprint remains in place. The "public interest" standard itself, albeit battered by the deregulation of the past few decades, still stands as a testament to choices made over 70 years ago. I'm not here to debate the wisdom of those choices—although I think you know where I stand on the need to reinvigorate the public interest standard. My point is that government choices, particularly at the early stages of a new medium, can have effects that are profound and long-lasting.

Right now, we are at such a transformative moment with the Internet. I will spare you my stump speech on how poorly we are doing, when compared with our international competitors, in bringing high-value, high-speed broadband to all our citizens. The OECD ranks us 15th in the world; if you don't like that study, I can point you to others that have us doing even worse that that. The rank is less important than what is actually happening on the ground. If you live here in Denver you probably pay twice as much for a connection that's one-tenth the speed of what you'd get if you lived in Tokyo, Seoul, Paris or London. If you live in exurban or rural America, you're looking at slower connections or, in many places, no connection at all. Only about half of American homes have broadband.

So Job One is doing better on access and giving Americans reasons (like lower prices and higher speeds) to sign up. The federal government gives out nearly $8 billion a year of subsidies as part of the Universal Service Fund—and while some of it goes to wiring schools, libraries and hospitals with high-speed lines, most of it goes to supporting voice service. The kicker here has been that—under the FCC's rules, this money is reserved for ordinary telephone service and cannot be used to directly support broadband. And it's 2008! That needs to change. I think my colleagues realize that Plain Old Telephone Service—the POTS of the 20th century—has to give way to the PANS—the Pretty Awesome New Stuff—that consumers and businesses need today. Our policies need to be adjusted accordingly.

Getting that job done is, however, about more than changing the Universal Service Fund. It's also about having a national strategy—a commitment at the top to get high-speed broadband out to *everyone*, no matter who they are or where they live. It's

about building basic infrastructure. We've always managed to find ways—the public and private sectors in all sorts of creative partnerships, operating under many kinds of incentives—to build the infrastructure America needs. Going back to the bridges and turnpikes and roads and railroads and later the electricity and highways that we needed to move the American people and the American nation forward.

So first we need a realization at the top about how critical this is. Then we need a strategy and tactics to make it happen. The FCC has a role here. Congress of course has an even larger role in devising the strategy and considering the programs and incentives to achieve the objective, ranging far beyond what our little agency can do.

The good news is that I think there is reason for some optimism. There's growing grassroots support to get this done. Just three days ago, *Communications Daily* ran a lead story on how numerous Congressional candidates are being pushed by constituents to pursue broadband legislation. The article quoted several Congressmen, like Zack Space of Ohio who said, "Increasingly, people are realizing that what electrification was to the country in the 1930s, broadband is to our generation." And, more than ever, the issue has achieved real visibility in the Presidential race. Having a Chief Technology Officer at the White House, who is also kind of a broadband czar, to bring together the many government agencies who have a finger in broadband but who don't coordinate and connect—and then to work with the private sector to develop innovative new partnerships, strikes me as a capital good idea.

Why, as a matter of course, when the Department of Housing and Urban Development is planning low-income housing, aren't we coordinating to make sure that building is wired for 21$^{st}$ century communications? Why don't all the agencies with a finger in broadband, like the Rural Utilities Service, Commerce, Transportation, and the FCC, coordinate what they are doing? Why, in the absence of having a truly interoperable broadband network for public safety, are the DoD and Homeland Security throwing a lot of money into a program for federal agencies while the FCC has to struggle to find a way to build an entirely separate system for state and local public safety?

It doesn't have to be this way. It ***shouldn't*** be this way. We need some real innovation and coordination to get this done. We can't get along without those bigger, fatter, more affordable pipes. So I'm not talking do-gooder social theory here. I'm talking economic growth, creating opportunity, creating jobs, making America more competitive, public safety, the list goes on. This is about making you and me and 300 million Americans part of—our current economic crisis notwithstanding—what can still be the most prosperous and exciting century ever. It's about jobs and the economy, and what our telecommunications sectors can do to help right the ship. By some estimates, ubiquitous affordable broadband would quickly add $500 billion to the U.S. economy and create 1.2 million jobs. Another study concluded that every percentage point increase in broadband penetration would mean 300,000 more jobs and increased national output. I think these estimates are too conservative.

I continue to believe that an important piece of our larger broadband agenda is maintaining the openness of the Internet. I understand the need for reasonable network management. I daresay everyone in the room agrees on that. And I understand that these are complex, difficult and always-evolving issues. But this technology—broadband and the Internet—is truly paradigm-altering. Life-transforming. It was built on openness; it grew on openness; and its future must be openness.

Another part of the broadband challenge that doesn't receive as much attention as it should is the need to ensure that we are doing everything we can to foster innovation. I was just over at CableLabs this morning and got to see first-hand some of the impressive and exciting R&D efforts going on. But I don't believe we have enough of that going on in our country today. We need to do better. And that's not just me talking—I've met with lots of folks, including CTOs and CEOs and technologists and innovators who share my concern. According to a report by the National Research Council, industry-driven innovation over the last several decades is in decline and the United States' role as the global leader in technology innovation is at risk. The NRC found that federal support has not increased sufficiently to replace the decline in industry involvement and it emphasized the shift in what research remains from long-term to short-term projects.

You know, the Telecommunications Act actually instructs the Commission to consider the impact on innovation and on the competitive posture of the United States of each merger that comes our way. That kind of studied analysis is barely ever a factor in what we actually do these days.

The second, perhaps even broader, set of issues we need to address is what kind of content will flow over those hopefully abundant and non-discriminatory broadband pipes.

Again, I think we're at one of those moments where choices will be made that will be with us for a very long time. Nick Lemann, Dean of the Columbia Journalism School, has written that each new medium gets a pioneer who defines it. TV news had Ed Murrow and Walter Cronkite—who came along in the early days and showed us all what TV news could be. I think Brian Lamb and Ted Turner may be those kind of pioneers on cable.

But web journalism hasn't gotten its Ed Murrow yet—someone who defines the voice and the ideals of the medium. (Nor, for that matter, has traditional media been very good at cultivating new Ed Murrows.) But at least a few people are thinking about how to use the new media to take journalism to greater heights. For example, I've talked a number of times with Google Founder Larry Page. He's thinking of ways that the next generation of journalists can develop better local news. He and I agree that we need to come up with ways to better use the Internet to inform our civic dialogue. And the good news is that the Internet—with its ability to blend video and text, and to offer almost unlimited amounts of information—can be used to communicate a lot more, and in a more useable way, than a daily paper or 30-minute newscast can.

Although it's not the Internet, I think the Elections '08 video-on-demand service launched in over 32 million digital cable homes is the kind of innovative product that can make a real difference in our civic dialogue. Kyle McSlarrow and I talked about the importance of this kind of information being available about a year ago. I'm pleased to see the industry develop this type of public service. I was navigating around the service and found not only the Presidential debates and convention coverage, but such information as to how to become a poll worker and how to find the polling place. Here's another idea to build on: provide this service not only for the Presidential race, but for state and local contests as well. Why not let every candidate for mayor or state representative at least tape a segment about why they should be elected and make them available for voters to review on demand? And while we're at it, why not on the Internet as well, for those citizens who don't have On Demand service? A virtual public square. The possibilities for our democracy are enormous.

More broadly, as content migrates online, how do we promote the goals that we, as a society, still care about? How do we educate and protect our kids? How do we get information about local issues of public concern? Typically, government regulation has been based on some sort of licensing relationship or statutory directive. How does that apply to the online world, where websites not only are not licensed, but they may not even be *in* the United States? What if the market fails to provide the things we care about—the things we need? How do we advance those interests in ways that are effective and respectful of constitutional and jurisdictional boundaries? How do we accomplish our goals as a free society while making sure we don't impinge the potential of these life-changing new technologies?

I don't pretend to know the answers, but I do know we need to begin the dialogue. Going forward, this is not about parsing the provisos and nuances of the Telecommunications Act of 1996. It's about a serious national discussion that we're not having. And, for Heaven's sake, let's not allow this dialogue to get teed up as yet another sterile round in that tired old debate between "regulation" and "deregulation," which has pushed so much substantive public discussion off to the sidelines. This isn't, or shouldn't be, a multiple choice question with only two take-it-or-leave-it options. All kinds of new direct regulation isn't going to get this done. Maybe we need a way to address market failures in a more affirmative way. Take children's educational programming. If the Internet ends up as broadcasting's eventual home and it isn't producing enough good, educational programming for children, maybe we could at least talk about something other than trying to force private industry to do it. Should we find a way adequately to fund PBS or some other group that is actually interested in doing the job? Maybe PBSS—a Public Broadcasting System on Steroids. That can't be done on the cheap. And Lord knows in this environment there's not a lot of extra cash floating around. Then again, neither is this a short-term problem. The point is we need to start talking, start planning, now. I hope when we do, we'll find lots of creative ideas out there. It is time to get serious about a future we know is coming, don't you think?

There are so many other questions. We need to be thinking much more broadly and deeply about where this all is going—and where it *should* go. Media's migration to

the Internet won't be accomplished immediately.  I think it will take some years—but, then again, change can come more quickly than we think.  And in no case should we believe we have the luxury of not stepping up to the plate and considering these questions.

At the end of the day I remain an optimist.  I believe that the questions you and I are grappling with are formative questions in determining how well our country will fare in this still-new century.  I believe the issue of a national broadband strategy is beginning to take on—belatedly but assuredly—a life of its own.  And I believe with all the great talent and resources we have, we can meet the challenge and create the opportunities that 300 million Americans must and should have in this competitive century.  It's a big challenge, to be sure, but we've met similar challenges in the past, and I believe we can tackle this one the same way—with business, government and communities all pulling together to get the job done.   After all, that's how we built this country.  I look forward to working with you, with my colleagues on the Commission, with Congress, with states and localities and with all the diverse set of stakeholders that make up our great country to make it happen.

One last thing before I say those two words you're maybe ready to hear by now— "in conclusion"—and that's DTV.  Exactly four short months from today, we are going to flip the switch nationwide and end full-power analog broadcasting in this country.  I've been sounding the alarm for a long time that we needed to treat this as the national priority that it is and create a coordinated public-private partnership at the highest levels.  Unfortunately, that didn't happen.  So now we're scrambling in these final weeks and coming across problems that could have been—should have been—identified and dealt with long ago.  But we are where we are and we have to make the best of it.  I spent the day yesterday trying to spread the word here in Denver, and all my colleagues are doing the same kind of things in other cities.  One other proposal I've made to Chairman Martin is to find a way to permit stations to continue to broadcast an analog message for a short period after February 17.  The message would tell consumers who were unprepared for the transition what happened to their TV signals and what they need to do to restore service.  It could avoid a lot of problems, a lot of heartache, a lot of consumer backlash.

 We did just that in Wilmington and it proved very effective.  Over 80% of the calls from troubled consumers were made to the toll-free number provided in the analog on-screen message.  I think many in the broadcast community will support this effort.  And it's gaining support in Congress as well.  Senator Rockefeller and Congresswoman Capps have introduced bills calling on the FCC to make this happen.  I hope all of you will get behind this idea too.  I haven't met anyone who doesn't think it's a good idea.  But, as you know, Washington can sometimes be the place where a good idea goes to die.  We can't let that happen here—the stakes are too high.

So thank you again for having me.  It's an uncertain time, I know—but also an enormously exciting one.  I believe we can redress the errors and excesses of the recent

past if we're smart about it, and we can harness the power of all these exciting new technologies and 21$^{st}$ century communications to expand opportunity for all our people and keep this great nation of ours the leader it has for so long been.  Old models are giving way, but who better to invent new models than us?  And where better to invent them than right here at home?  That's prospect enough to get me excited.  We're not— any of us—bystanders to the story of America.  We're its authors.  Let's step up— government, industry, labor, consumers, academe—and make it happen.


Thank you.