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“DIGITAL CONNECTIONS: CREATING A WORLD WITHOUT
BOUNDARIES”

Remarks as Prepared for Delivery

I am honored to be this year’s keynote speaker for the 16th annual conference of the National Association of Minorities in Cable.

I have to confess upfront that this has been an emotional trip for me so far. As some of you know, I’ve come to New York City today on a trip that was scheduled to be made almost exactly one year ago.

I was not able to make the trip at that time, however. The City was not in any condition to receive me and I was in no condition to make an appearance.

But I am here now, and I want very much to take *this* opportunity to talk about *opportunity*.

I once was told — I think in consolation for having lost a football game in high school — that we learn more from our losses than we do from our victories.

I think that is true.

Success can become an invitation to complacency.

A loss, on the other hand, can bring into sharp focus a weakness or failing.

It seems to me that we learned at least two things last September 11th that are relevant to the opportunities that await you as professionals in the media and communications industries.

The first has to do with how new opportunities develop in this segment of the American economy; the second has to do with the public importance of mining those opportunities.

To understand the first we need to consider how our communications and media infrastructure performed in the wake of the terrorist attacks last year.

As dawn broke on September 11th, 2001, most New York City television stations, including WCBS, WNBC, WNYW, WABC, WWOR, WPIX, WNET, and WNJU, had their analog and digital television master antennas and main transmitters on the World Trade Center. As a result, when those structures collapsed later in the morning, all of those facilities were lost.

Fortunately, because of direct feeds to the cable and satellite head-end facilities, most of the stations continued to be accessible by cable or DBS customers, and most New Yorkers did not lose an important source of video news and information during the crises that followed.

Nonetheless, those broadcasters who did lose facilities had to scramble to return to something like full service.

WABC, for example, had to begin transmitting via an auxiliary transmitter atop the Empire State Building. WCBS reached agreements to operate on channel 67 on Long Island and channel 68 in Newark.

Using these kinds of patchwork remedies, seven of the nine TV stations had relocated their transmitters and resumed broadcasting over-the-air within about a week of the attack.

More problematic was the damage done by the collapse to the communications infrastructure in downtown New York.

The Verizon switch at 140 West Street — one of the largest switching facilities in the world — was a technological marvel capable of carrying an almost inconceivably large amount of traffic.

The Verizon building that housed the switching hardware was a very secure facility, both in terms of human security and in terms of the structure itself, which was highly reinforced to withstand a variety of natural disasters.

It was not, however, built to withstand the previously unimaginable disaster that befell us on September 11th.

When the World Trade Center collapsed, falling debris penetrated large sections of the building at 140 West Street and severe flooding ensued.

The damage to Verizon's central switch left 300,000 customers in the area unable to make or receive calls.

It also affected companies that used as many as 3.5 million lines that carry Internet traffic and private financial information through Lower Manhattan.

In addition, because many local competitive local exchange carriers interconnected to the public switched telephone network at the West Street switch, its loss also caused outages for 20 other small telephone companies.

Many of these were companies were, to a greater or lesser degree, facilities-based; that is, they were not completely dependent upon the incumbent for facilities. Nonetheless, because of the network overlap, the loss of the incumbent's central switch proved devastating to all of them.

To their credit, a number of carriers tried to respond by providing cell phones to rescue workers and others in the affected in the area.

But wireless networks had their own problems. Sprint, Verizon, Nextel and other cellular companies lost coverage in NYC because power failed or land lines to cellular towers were destroyed by the World Trade Center collapse.

The only answer was to move temporary cells on wheels, known as COWs, into the area to supplement the available capacity.

I should point out, too, that network outages were not limited to areas in which there was physical damage to the plant in Manhattan.

Wireless and wireline networks all over the country were overloaded with traffic as the news traveled and people sought to confirm the whereabouts of their friends and family.

In the FCC building, I had trouble reaching the Chairman's office because our internal phone system was overloaded.

In short, despite the patchwork of fixes that were quickly put into place, 911 not only was a terrible human loss, but the outages and domino effect from the collapse highlighted the importance of robustness and the need for redundancies in our communications infrastructure.

So let me jump to the bottom line — and the substance of the first of the lessons from 911. We can no longer rely on a one-wire world.

The “one wire,” of course, is figurative, not literal. The point is that communications – and by that I mean both personal communications and mass communications through electronic media – in the 21st century should, must, and will be provided over multiple, and technologically differentiated, facilities-based, redundant networks.

We began to see the value of this on 911.

In the media space, for example, numerous broadcast facilities were lost, but local broadcast outlets managed to continue to provide service through direct feeds to cable and satellite networks.

It was not a perfect fix, but it kept the programming available to most people.

Perhaps more strikingly, this new creature called the Internet performed to standards and remained functioning under the most trying of circumstances.

Many people found it possible to e-mail or instant message those they were most concerned about but could not reach on legacy networks.

Less well-known is the fact that internet broadcasting also experienced an enormous increase in usage during the aftermath of September 11th. One company, Internet Broadcasting Systems, Inc., served more than 15 million pages to more than 700,000 different visitors, as well as sent out more than 725,000 e-mails and news alerts in the immediate aftermath of the attacks.

The Internet Broadcasting Systems' website produced a fast-loading "special edition" home page, updated continuously with local developments such as school and office closings, airport status, and news about local families affected by the tragedy. This was especially important since the tragedy occurred during a busy workday when most individuals did not have access to a television.

Now let me make clear as an aside that I don't mean to discount the value of services provided by resellers or services provided by competitors who rely heavily on incumbent networks.

There are good competitive reasons for seeking to promote competition in all forms.

Competitive entry by any means can help to check incumbent behavior that might otherwise be inconsistent with the public interest, whether you are talking about retail pricing, service standards, even content selection.

However, while these other means of entry may have competitive benefits, there is a new metric that must be high on our radar — perhaps highest of all.

That is, does the new network provide a stand alone alternative to one or more of the incumbents?

And is it differentiated in such a way that damage in one environment will not necessarily handicap both the old and the new network?

I can tell you from a regulatory perspective that, in an era of high security and confronted by the continued threat of attacks, our efforts should put a premium on providing an environment in which our critical infrastructure can be maintained in the event that one of our principal communications networks suffers a catastrophic failure.

To achieve that level of redundancy, networks not only have to be coterminous, they must also be technologically differentiated.

After all, there were nine broadcast networks using the World Trade Center — all in essence overbuilt. But all of these overbuilt facilities proved of no value once the structure was lost because the facilities were collocated.

Networks that are technologically differentiated necessarily will have different vulnerabilities.

The good news is that we are already some distance down that path.

Thus, for example, the wireless network provided a reasonable stand-alone alternative to the wireline telephone network when it was so dramatically damaged on 911.

Unfortunately, although the vulnerability of the two networks was not identical, there was significant overlap between the two, leading to outages in both when the World Trade Center collapsed.

Thus, as we move forward, the emphasis for the public and private sector alike should be on increased investment in differentiated network infrastructures.

The goal, of which we should never lose sight, is a community served by a variety of communications capabilities, available through a variety of platforms, each of which, to a greater or lesser degree, a substitute for the others.

Indeed, future competitive opportunities to gain market share in an increasingly fragmented communications industry, it seems to me, will not be found by providing look-alike services through networks that are dependent upon incumbent providers for some or all facilities.

On the competitive telephone front, the great difficulty of non-facilities based competition, it appears, was not a failure to craft finely detailed rules to govern the relationship between the incumbent carriers and new entrants. The real hurdle, it turns out, was that the success of the non-facilities based new entrants was entirely dependent upon provisioning by the incumbent.

It doesn't take any great thinker to see that it is hard to thrive when you rely on your competitor for basic competitive inputs.

Even when we are talking about overbuilders, we sometimes think too narrowly.

Can we incent a second phone company to build copper loops to provide basic local exchange service? Shouldn't we limit ownership of multiple broadcast outlets in a single market to increase competition? What regulatory barriers are discouraging cable overbuilding?

All of these questions are important, and certainly dual pipe competition is a good thing — at least it probably beats heavy-handed government market regulation.

On the other hand, “different pipe” competition is even better.

-- When there is *different-pipe* competition, neither competitor is reliant on the other for facilities or provisioning. The potential for strategic behavior by incumbents is thereby limited.

-- When there is *different-pipe* competition, it is far more likely that the services offered by the new entrant will be qualitatively different from those that are already available from the incumbent.

Now that does not mean that there will be no service overlap between the two.

To the contrary, for all of the reasons that I just discussed, we would hope and expect that technological differentiation would lead to the provision of competing services that are in some sense interchangeable.

It does mean, however, that the new service offers some new value proposition to consumers that will not be immediately or easily duplicated by other platforms.

For all of these reasons, you all should be thinking big. Big opportunities still await. There’s a tendency to fall into that trap of thinking that everything that can be invented has been invented.

There is a great quote from the Secretary of Labor in 1885 in which he asserts that “the day of large profits is probably past.”

It obviously was not so then, and it is not so now.

Yet to be discovered are new technologies that will allow you to enter new markets, develop new revenue streams, and enhance the consumer’s experience with communications technology.

I don't have the vaguest idea of what these technologies will look like, but you should be energized by that fact, and be always on the lookout for that next opportunity.

Energized not only by the chance for personal and professional success, but by the chance to play an integral part of our country's future.

And that's where the second lesson from 911 comes to the fore.

Standing here, one cannot help but appreciate the importance of communications and media in a world of uncertainty.

Whether we are talking about platforms for the distribution of mass media – cable and broadcast – or personal communications, or even some new form of communications as yet unknown, the work that you all do is the glue that holds this country together.

The day of the attack last September, the most important thing for me, as for most people who were not at ground zero, was to be informed – to stay in contact – to know what was going on and to be in touch with my friends and my family.

That's always the way it is in a time of crisis, and that's the business you all are in. I hope you never lose touch with that public service aspect of your work.

Just coming to New York with such a message once again makes my heart heavy for all those many people we lost last September; people on the flights that were hijacked, people in and around the World Trade Center buildings, and people at the Pentagon in my home city of Washington.

It's a short flight up here, but I used that time to think about those heroic police, fire, and rescue personnel who scaled the heights of the World Trade Center towers to fight a fire 80 stories above the ground.

I thought of the passengers aboard United Airlines flight 93, bound for San Francisco, who fought to overcome the cowards who had commandeered the plane; passengers who struggled knowing full well that their own lives likely would be lost in their effort to save life.

I thought of Barbara Olson, the wife of the U.S. Solicitor General, who was able to make a cellular telephone call to say goodbye to her husband ... and of all those who were not able to say goodbye.

As a regulator of media services, it makes most of the stuff that I worry about on a daily basis seem trivial. But as I just suggested, some of what we do is intimately related to our war on terror.

The media allows us to interlace our experiences; to share common memories and to conjure common dreams for our future. It is, as I have said, the mortar that binds the multiple and various segments of society into a unified whole.

In 1999, consumers devoted 8.4% of their earnings to entertainment alone – a percentage that exceeds the amount we spend on clothing or home furnishings, and nearly as much as we spend on health care.

Thus, to the extent that my work can help to ensure that the media services of tomorrow perform that function in a secure and robust environment, it is an important part of our war on terror.

Similarly, as you continue on the path of your professional careers, never lose sight of the fact that, as the bearer of news, information, and entertainment, what you do is invested with a tremendously important public purpose.

You are our heralds, our town criers, our pony express, and our pamphleteers all rolled into one.

There is a reason that Hermes, the messenger of the Gods, sat at the right hand of Zeus. Like Hermes, you are the keepers of information, which often is the most powerful weapon of all.

You all do and will continue, in short, to play a key part in the unfolding drama that will determine whether our democracy and our very way of life will be preserved.

So if you will indulge me, I would like to end my remarks by changing gears entirely and offering a few thoughts about what it means to live in a free society — and whether that is possible in a fallen world.

Although I'm from California, I've spent most of my adult life in the Eastern United States. I've always found it striking how many eastern towns have Biblical names like Bethlehem, Canaan, Salem, Lebanon, Zion, and Gideon. One of my favorite places is at my wife's family home in Eden, New York.

Well, when I started to look into it, I learned there was an explanation. The earliest settlers of this country, and those who would frame our Constitutional system, believed that America was the New Jerusalem, the "New-Found" land, as it were.

The Ox-bow on the Connecticut near Mt. Holyoke College was a famous subject for early American painters because it represented the Omega — God's signature on the promised-land. If you have not yet had the chance, you should make an effort to see Thomas Cole's painting simply captioned "the Ox-Bow." I doubt the River ever looked exactly as it is depicted in the painting -- even in 1830 -- but if it did, I too, would surely swear that God had left his imprimatur on the land.

Similarly, in the poetry of Edward Taylor and Ralph Waldo Emerson you find described an American Eden, a landscape that itself seemed to offer a hope for ultimate redemption.

And in the law, we have the greatest testament of all to the new American Adam — the Constitution. Now I know this is not news, but the Constitution really is a phenomenal document. In one sense it incorporates the best of 18th

century enlightenment thought. It is a product of the age of reason and premised on the perfectibility of man.

It also, however, fundamentally is founded on faith — faith that men and women would be able to govern this new Eden without being governed.

I know we are ages past the time when one might actually think it so — but the framers did.

They did so in a time made simple by the loss of detail through the years, and by our cultural ability to obscure the Second Fall that has taken place in the intervening span of time.

A Fall occasioned by our past tolerance of an inhumane system of human enslavement;

A Fall occasioned by the rending of the union, the bloody war of union, and the seemingly intractable scars that the nation carries from that war;

A Fall occasioned by the greedy industrialists, greedy politicians, and greedier opportunists of the late 19th Century;

A Fall occasioned by our isolationism, our devastating losses in the First World War, and our libertine response to the guilt associated with each;

A Fall occasioned by our entrance onto the world stage in the Second World War and the sad recognition — brought home so painfully last September — that there is great evil in the world; if not within these shores, then without.

We have partaken lavishly at the tree of knowledge.

All the while our pristine basic law, once so clean and shiny and new, has been worn down, to borrow from Robert Frost, “like graveyard marble sculptured in the weather.”

And so the question posited is whether it still is possible to make anything of this dream called freedom? Can we still afford all of the basic liberties that we have taken for granted for so long?

Isn't the world simply too dangerous, some might wonder, to permit all kinds of speech, even hateful speech? To honor the sanctity of the press and editorial comment? To allow citizens to be free from random searches?

We can and we must.

When I talked to my 8-year old about the tragic events of September 11th, she seemed to understand what I told her much better than I thought she would, and she seemed less fearful than I expected her to be.

But I understood why when she said to me, "Daddy, the good guys always win, and we're the good guys."

And that's just what drives these madmen around the world to distraction — we are the good guys.

Now that's not to say that we're angels. The national history that I just outlined is a story of sin, but it also is a story of redemption.

Wherever and whenever we can, we stand for freedom and self-determination: political freedom, economic freedom, religious freedom. We can do so with credibility because we live as we speak — we walk the walk. America stands as a shining symbol to the world because we value so highly the very freedoms that we promote elsewhere.

And in the end, that's what this all comes down to, the *value* we place on those freedoms.

What *price* are we willing to pay to defend Freedom?

The difficulty with the question is not in fixing price, but in comprehending the nature of what we lose if we fail to pay the price.

For the American history that I left out, as you will have noticed, was the redemptive part.

The part about the early colonists, braving the dangers of the oceans, disease, exile, famine, in order to establish upon this continent a nation founded upon the principles of civil and religious liberty;

The part about the heroes who fought at Saratoga; who starved at Valley Forge; who were victorious at Yorktown;

The part about a tall man, in a stovepipe hat, calling upon a national conscience that had not yet been discovered; and the hundreds of thousands of men and women willing to bear the evils of ugly war in answer to that call.

The part about Elizabeth Cady Stanton, Lucy Stone, Sojourner Truth, and Susan B. Anthony suffering hardship, ridicule, and violence for trying to make plain what should have been obvious — that freedom does not append to some, but to all.

The part about those whose last desperate breathes were taken in the Argonne Forest; those who twenty years later gave bread when they had no bread to give; and those who fought a second world war while the rest of the world lay prostrate and fragmented.

The part about Martin Luther King and the millions of lesser-knowns who fought a battle of a different sort here on our own shores.

The part about the young people, boys mostly, who somehow found themselves in the deepest, darkest jungles of Southeast Asia and never gave up on each other.

And most importantly, the part about the generations of heroes yet to come. For there will be generations to follow us into the distant future; generations that even now are rising up to fill our places.

And they demand to know — rightly so — what we have done, or will do, to be worthy of our common ancestors.

When they survey, as I have today, the story of America, what will they say about this generation?

It is that unfathomable question that renders Freedom priceless. For it not only is our freedom that we must defend, but the religious, civil, and economic liberty of all those who will follow.

How can you put a value on that?

What price would you not pay to secure that future?

And so, although you probably expected me to talk only about goings-on at the FCC, I feel compelled, under the circumstances, to leave instead with this admonition.

Never equivocate, never vacillate, never hesitate when your time is called to stand for Freedom in your moment of trial. It is not an opportunity that many of us get, and certainly not often more than once.

But the time may come, and perhaps it already is upon us, when each of us will be called upon to make a sacrifice that even in our worst nightmares we cannot imagine making—

And worse, it may be for a cause that appears lost, or of negligible consequence at the time.

But in this arena, there are no small fights and no lost causes.

There can be no defeat.

So that, on some distant morning, long after our own brief stay on this earth has ended, the sun will rise over the White Mountains of New Hampshire...over the verdant hills of Kentucky...over the muddy Mississippi as she winds through farm and field...over the great grasslands of Eastern Colorado and the badlands of North Dakota...over the vast deserts and towering mountains of Utah...and over the craggy shores of Oregon...the sun will rise over a *free* land that is itself one great monument to wisdom, peace, and liberty.

And in that land, our children's children's children will enjoy the inheritance with which we so generously have been blessed.

Thank you and may God bless America.