STATEMENT of COMMISSIONER ROBERT M. McDOWELL FEDERAL COMMUNICATIONS COMMISSION

Before the COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION UNITED STATES SENATE

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Mr. Chairman, Ranking Member Hutchison and Members of the Committee, it is a privilege to appear before you today. I am deeply honored by President Obama's decision to nominate me to continue to serve as a commissioner of the Federal Communications Commission.

With your permission, I would like to introduce some members of my family. I would not be here today were it not for their love and support. First and foremost is the wind in my sails, and the rock of our family, my bride Jennifer. With her are our children: our eldest son Griffin, our daughter Mary-Shea and our youngest son, Cormac. Also here are my sister Tina and my nephew Kelliston, a recent college graduate.

Of course, I owe everything to my parents. My father, Bart McDowell, passed away just this past January. And my mother, Martha Shea McDowell, passed away not quite four years ago. Our thoughts and prayers are with them always, but especially today.

I would also like to extend my public congratulations to Julius Genachowski, and his beautiful family, on his nomination. If we are both confirmed, I look forward to working with him in the same bi-partisan manner I have pursued for the last three years.

Furthermore, I want to acknowledge the warm friendship and support I have received from my two fellow Commissioners, Acting Chairman Mike Copps and Commissioner Jonathan Adelstein. I have enjoyed working with them over the past three years – and especially in the past six months. Although we don't always agree, our disagreements are almost always pleasant. In fact, while the three of us have enjoyed this collegial time at the Commission this year, folks have started calling us the "Three Amigos." If confirmed, I look forward to continuing to work with Mike at the

Commission and Jonathan at the Rural Utilities Service, should he be confirmed for that post.

While I am on the topic of us working together, I would be remiss if I did not discuss with this Committee the digital television transition. As of midnight last Friday, 100 percent of our nation's full-power television stations are broadcasting only in digital, except for a few analog "nightlight" stations which are providing DTV educational information for those who are still not ready. For the vast majority of consumers the benefits are wonderful and include: better picture quality, better sound quality and more channels – all for free over-the-air. Nonetheless, up to three million households remained unprepared as of June 12. The FCC, working with other government agencies, the private sector and community organizations, is acting rapidly to locate and help these consumers in our own version of a "search and rescue" operation. I appreciate the continued support we have received from Congress as we implement the switch to digital, and I look forward to our agency staying focused on this issue as our number one priority until all over-the-air consumers become digital-ready.

In preparation for this hearing over the past few days, I have been reflecting on my three years at the FCC. The fact that I was appointed to the Commission the first time underscores the maxim that sometimes it is life's surprises that offer the best experiences. This position came as a surprise to me. I never pursued this office, but the opportunity to serve the American people in this way has been the highest honor of my professional life. What we do at the Commission literally affects the lives and liberty of all Americans every day.

The evolution of the communications marketplace has been nothing short of amazing – especially in the last three years. For instance, in 2006, the discussion regarding a wireless-only America was just getting started. Today, nearly one in five American households is wireless-only. In the meantime, 23 percent of all *businesses* are expected to be wireless-only by 2012.

In 2006, 57 million Americans subscribed to broadband services. Today the number is closer to 80 million – a 40 percent increase in three years. The fastest growing segment of the broadband market is wireless broadband, which has grown by nearly 400 percent since 2006. Many analysts predict that Internet traffic could quadruple by 2011, and mobile wireless technologies will account for a large share of that growth.

Three years ago, social networking sites such as Facebook, MySpace and Twitter were in their infancy, while traditional media, such as newspapers and broadcasters, enjoyed healthy bottom lines. When I first started at the FCC, the market for online videos was just starting to germinate. Today, Americans watch nearly 17 billion online videos *each month* – and that figure is growing 16 percent per month. Furthermore, nearly 15 million Americans are watching video on their mobile devices, and that figure is growing by more than 50 percent per year. At the same time, traditional media have witnessed a dramatic decline in the face of the competitive pressures coming from new media. So much has changed so fast.

Increasingly, America's economy rides on the rails of the communications sector.

As the government contemplates policies to help promote sustainable economic growth,
the role of the FCC is more important now than ever. In the coming months, the
Commission's primary focus should be to foster economic expansion by helping shape an

environment that is attractive to capital investment so that the creative brilliance of America's entrepreneurs can continue to bear fruit – to the benefit of all consumers.

During my time at the Commission, I have tried to promote economic prosperity, competition and innovation by: supporting initiatives to make it easier for new entrants to compete in the video marketplace; spurring the rollout of broadband by, among other things, taking steps to open up the use of the television "white spaces"; and fighting to ensure that inventors of new wireless medical devices are not restrained by government red tape.

America's technological future could be brilliant if we, as policymakers, make the right choices. The wireless sector is one of the most promising under the FCC's purview, yet sometimes we look at the wireless market through the lens of its wireline ancestor. For instance, we all know the name of the inventor of the wireline phone, Alexander Graham Bell, of course. But few can name the inventor of the wireless phone – a device used by more than half of the world's population. His name is Martin Cooper. Mr. Cooper estimates that technological innovation has enabled us to double the amount of information transmitted over the radio spectrum every two-and-one-half years. As a result, we are *two trillion* times more spectrally efficient today than when the radio was first invented in 1897. This concept is known as "Cooper's Law." This powerful trend should continue indefinitely, unless the government adopts policies that frustrate, rather than foster, innovation.

If I am confirmed, you have my commitment to support policies that will promote, not stifle, freedom, competition, innovation and more choices. If we adopt such

policies, we will create boundless opportunities for American consumers and entrepreneurs alike.

Additionally, if confirmed, I will commit myself to continuing to conduct the affairs of my office in a bi-partisan and ethical manner, and I will continue to make decisions as an independent commissioner at an independent administrative agency.

Furthermore, I will work to support policies that will promote vigorous growth in the broadband markets to ensure that all Americans have access to the promise of high-speed Internet services, and that the Internet remains robust, open and safe. The FCC's broadband plan due to Congress in February will play a crucial role in America's broadband future.

If confirmed, I will also continue to advocate for reform of FCC processes to make the Commission more open, transparent and user-friendly. For instance, it would be helpful if notices of proposed rulemaking actually contained *proposed rules* for adequate public comment. We could also serve the public interest by following Congress' mandate to get to work adjudicating the backlog of over 1.2 million broadcast indecency complaints – some of which are older than my children.

Also, if confirmed, I will continue to work to reform the Universal Service and intercarrier compensation regimes to contain skyrocketing costs while ensuring that all Americans have access to affordable quality services, as directed by Congress.

Finally, if confirmed, I will continue to work to clear away unnecessary regulatory underbrush and barriers to entry that inhibit the creation of a dynamic and free communications marketplace.

These are just a few ideas. We have much, much more to do.

In conclusion, I have cherished every day I have served as a commissioner. I have been honored to work with not only some of the finest people ever to serve on the Commission, but the hundreds of talented career professionals who work at the FCC as well. And, if confirmed, I would be humbled to serve with them again.

Mr. Chairman, Ranking Member Hutchison and Members of the Committee, thank you again for the opportunity to appear before you today. This concludes my statement, and I look forward to answering your questions.