

RESTORE GLOBAL COMPETITIVENESS

By Sen. John Ensign (R-Nev.)

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We live in a critical time for the United States — a time in which our balance of payments continues to suffer, largely as a result of increased imports.

But there is one export that the United States could better exploit with benefits for our own citizens — that is in information and telecommunication technology. We have a unique opportunity to restore the nation's global competitiveness through our technological genius. Just as American ingenuity brought us the telephone in the 19th century and the television in the 20th century, the 21st century brings us the convergence of a host of voice, video and broadband technologies that hold the promise of greatness — for consumers and our economy. Yes, it is a critical time.

The evidence is all around us. There are more cell phones than home phones in America today.

Thirty-one billion e-mails are sent every day. Add in instant messaging and more than 40 percent of traditional phone calls have migrated to the keyboard and Internet.

In 1998, traditional local and long-distance accounted for about 55 percent of consumer spending on communications services; today it is 29 percent.

Ninety-seven percent of America has a choice of three or more voice providers among wireless companies alone. That's not even counting local telecoms or the array of voice-over-Internet-protocol (VoIP) providers from local cable to companies such as Vonage and Pulver.com.

Fourteen million Americans have placed a phone call over the Internet, and 40 percent of us will do so regularly before decade's end. The No. 1 VoIP customer today: kids with Xboxes, playing video games from home and chatting with other players on headsets. The provider? Not Vonage, Comcast or Verizon, but Microsoft.

Perhaps the most telling evidence of our technological revolution is repeated daily at airport security checkpoints. Watching the different devices laid out on the conveyor belt is like attending a mini consumer-electronics show — cell phones, laptops, iPods and BlackBerrys, unimaginable only 10 years ago. And, all of those devices are multitasking. You can place a call from your BlackBerry and watch a sitcom on your cell phone.

These developments present opportunities for a fundamental realignment of our economy for industry and consumer choice. Wireless, land-line, cable, satellite and Internet-based

companies are all competing to provide voice, video and Internet service — driving everything from the new services and choices we see in the marketplace to proposed mergers. Previously distinct markets, such as “local” and “long distance,” fold into one another, and companies work feverishly to keep pace with technology and to face a whole new universe of market rivals.

However, the potential economic and social benefits of these developments in our information economy remain shackled by a nearly decade-old regulatory policy that barely acknowledges the existence of the Internet. What we need is a truly level playing field, where consumers can get the products and services they want from the companies they choose. We need comprehensive, evenhanded reform that allows consumers to select the technologies and services that best meet their needs rather than uneven government policies that result in decisions being made for us by a regulatory framework originally established eight decades ago.

The benefits for our country are significant. According to a recent U.S. Chamber of Commerce study, a market-based U.S. telecom policy could bring \$634 billion in growth in the gross domestic product and 212,000 jobs in five years. Modern telecom laws can usher in a new era of work-life balance with new telecommuting options, new economic opportunities for rural America, new choices for Americans with disabilities, new frontiers in medicine and education, new services for consumers and new tools for American businesses.

What are the components of modernizing our telecom laws to reflect the realities of technology?

Today’s environment of vigorous competition — where cable companies are offering VoIP service and phone companies are moving into video — must ensure certain basic consumer protections, such as 911, restoration of service after storms and access for people with disabilities, as well as the carriage of local channels and educational and governmental programming for video. However, beyond the basic consumer protections we must do everything possible to encourage all companies to invest and compete vigorously to deliver innovative, quality services to consumers.

A pro-innovation policy requires technology neutrality. If you accept that the policies are outdated, then the new approach should apply to all competitors — old and new. With land line, wireless, satellite and cable all competing directly with one another, different rules for different technologies make no sense. A consumer, market-driven approach would ensure that it is our citizens, not an uneven government regulatory framework, who sort out the winners, who validate the risk takers and who create incentives for innovation.

It’s time to put consumers in charge and to have the government step back from managing a competitive marketplace. I look forward to working with Senate Committee on Commerce, Science, and Transportation Chairman Ted Stevens (R-Alaska), who has made addressing these issues a priority, to speed the arrival of new services that

consumers clearly want. These critical decisions will be instrumental to restoring U.S. global competitiveness.

Ensign is chairman of the Senate Republican High Tech Task Force and chairman of the Senate Commerce Subcommittee on Technology, Innovation and Competitiveness.