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Jessica Rosenworcel
Chairwoman
Federal Communications Commission

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Moderator: Charles Phillips
Managing Partner and Founder
RECOGNIZE

Introduction

President Barbara Van Allen

Okay, I think we'll go ahead and get started because we have a large virtual audience also. And it looks like it is, good afternoon, so that's good. Welcome to the 753rd meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club. Recognized as the premier nonpartisan forum for discussions on social, economic, and political issues, the Club has actually been providing this platform for over a century. We've hosted more than 1,000 prominent guest speakers, and this tradition of excellence continues up to today as well.

I'd like to extend a warm welcome to students who are joining us virtually from the Zicklin School of Business, Princeton University, Yeshiva University Sy Syms School of Business, as well as members of our largest-ever Class of ECNY 2024 Fellows – a select group of diverse, rising next-gen business thought leaders.

For today's program, we're honored to welcome the Chair of the Federal Communications Commission, Jessica Rosenworcel. She's actually the first woman to hold that position. Jessica works to promote greater opportunity, accessibility, and affordability in our communications services. She's a leader in spectrum policy, developing new ways to support wireless services from Wi-Fi to video and the internet

of things. She is also responsible for developing policies to help expand the reach of broadband to schools, libraries, hospitals, and households all across the country.

Named one of *Politico's* 50 Politicos to Watch and profiled by *InStyle* magazine in a series celebrating “women who show up, speak up and get things done,” Jessica brings over two decades of communications policy experience and public service to the FCC. Prior to joining the agency, she served as Senior Communications Counsel for the U.S. Senate Committee on Commerce, Science, and Transportation, under the leadership of Senator John D. Rockefeller IV and Senator Daniel Inouye. Before entering public service, she practiced communications law in Washington, D.C. She’s a graduate of Wesleyan University and New York University School of Law.

The format today will be a conversation in which we’re pleased to have Charles Phillips, Club Trustee, and Managing Partner and Co-Founder of RECOGNIZE, doing the honors of moderating. We’ll end promptly at 1:00, and time permitting, they’ll take questions from those in the room. As a reminder, this conversation is on the record. We do have media on the line and in the room. Without further ado, please join me in welcoming Jessica and Charles to the stage.

Conversation with Jessica Rosenworcel

CHARLES PHILLIPS: Well, good afternoon everyone, in the room and online. We have a big turnout today, so this is of interest to a lot of people. I think all our lives are pretty much digital now, and this is the person who oversees a lot of that. And so almost anything that we do, and I think during Covid, we all learned how important it was to be online and what a problem it was if you weren't online as well. And so I think even more so this is relevant to all of our lives. So Commissioner, thank you for being here.

Let's start off with a little bit – before we dive into all the issues – about you, how you got here to the FCC. We know you're from the area of Connecticut, a little bit, and you went to law school around here. But how did you get from law school to doing what you do now? Was that the plan all along?

JESSICA ROSENWORCEL: I always feel like when I get asked these things I should talk about it like it was a master plan rather than serendipity. But I want to thank you first for having me here today. It's really a treat. As you mentioned, I did previously live in New York. I went to school here. And at some point, my husband suggested we spend a few years in Washington, and I moved there kicking and screaming. Spent a certain amount of time looking for the five boroughs on the Potomac. And sometime after that decided to commit to where I was at and I went to work for the United States Senate.

First I worked for Senator Inouye and later for Senator Rockefeller, who was really my sponsor and mentor.

And while I was advising him in the Senate Commerce Committee, I spent a lot of time thinking about this outstanding recommendation from the 9/11 Commission Report.

There was a report assessing everything that went wrong that day. And there was this one recommendation that the government had never acted on, which was finding a way for police, firefighters, and emergency medical personnel to ensure they could all talk to one another in a real crisis.

So I set about to studying it and it was sort of personal. My family lost someone in the Twin Towers. And I convinced Senator Rockefeller that if we took back some spectrum we had from broadcasters and auctioned it off and repurposed those airwaves, we'd be able to set up a national authority so that all of first responders would be using the same facilities. And this idea was a little strange, was a little wacky. Over time, he sold it to then Vice President Biden. And then President Obama put it in the State of the Union as something he wanted to do. So serendipity.

And shortly thereafter, President Obama first appointed me to the FCC. And, by the way, that network that first responders use today is called the First Responders Network Authority, and it's up and running. And, a lot of things that I'm proud I've been able to do

as the first woman at the FCC, but helping emergency personnel in times of crisis is really chief among them.

CHARLES PHILLIPS: That's fantastic. So let's start on some of the issues. You've got some things that are pending and pressing. I mean you have so many things that are happening right now. One of the biggest ones and probably most controversial is trying to bring back net neutrality, so we have to start there.

JESSICA ROSEWORCEL: You went right there.

CHARLES PHILLIPS: Right there, get it going. Before you run out of time and run off, let's get to the big ones. So it was passed under President Obama in 2015, repealed by President Trump, and you're trying to bring it back. So can you give us the status, your thinking, why is this needed now?

JESSICA ROSEWORCEL: Of course. I think, to set the stage, you mentioned this at the start, try to imagine four years ago, the pandemic, if it made one thing clear about technology, it's that broadband is essential. We were all told to go home, hunker down, and move all of our lives online – work, education, healthcare – all of it.

And the curious thing is that the last administration decided that the Federal

Communications Commission, the nation's expert on communications, should not have authority over broadband. So, as part of that, they decided that there should be no rules for net neutrality. And net neutrality rules are rules that prevent broadband providers from blocking websites, slowing down services online, or censoring content. Net neutrality rules means there's some oversight of broadband providers so that you, as a consumer, can go where you want and do what you want online.

And so a curious thing happened after the last administration stepped out and decided there would be no oversight of broadband and no net neutrality rules. The state stepped in. In fact, we've got almost a dozen states that now have net neutrality laws, policies, and executive orders. And so when I took over the agency, the first thing that occurred to me is that broadband is essential. Everyone needs to have it everywhere. And we're going to have to have some oversight of it because it's so essential.

And the second thing that occurred to me is that in a modern digital economy we can't be having disjointed broadband and net neutrality policies in all of our states. We need a national baseline. And so I have recommended to my colleagues we bring that oversight back, bring net neutrality back. And, in fact, your timing is impeccable because today is the day that we're going to release our draft order on net neutrality to the public. So, for the interested or people who can't sleep at night, it'll be up on the FCC's website later today.

CHARLES PHILLIPS: And what do you say to the telephone vendors who say, if people want to pay more for faster speeds, that's the market at work. And then how can we plan, if you can declare any time that we're being unreasonable? We don't know what the rules are.

JESSICA ROSENWORCEL: Yes, I think the thing that is important is that we've got to make a distinction between consumer broadband, the stuff you and I get at home, and business broadbands. I want there to be all kinds of innovation and entrepreneurial activity in the business segments as we figure out how to connect banks, how to connect for healthcare and various specific purposes. But for the business broadband, that's one segment. For the consumer, it's something else. We want to make sure that you can go where you want and do what you want and not have to pay for special fast lanes or slow lanes on the internet.

Most of the households in this country have only one or two broadband choices. So if your broadband provider mucks around with your traffic, you are not able to access the internet fully. So we're going to put policies in place to make sure that consumer broadband is protected. And that's really the focus of net neutrality policies.

CHARLES PHILLIPS: Okay, another pending program is the Affordable Connectivity Program, which if it's not renewed by the end of April, I think, a lot of people start to lose

the subsidy. But maybe you can explain what that is and why it's running out and how we can fund this.

JESSICA ROSEWORCEL: Yes, from one complex topic to the next. Alright, so you started and I started with the pandemic. I think the pandemic made clear we have a digital divide. And Congress took a look at that and offered billions of dollars to help build broadband infrastructure in places that don't have it. But at the same time, Congress recognized sometimes that digital divide wasn't just about infrastructure. It was about not being able to afford broadband. I mean in a city like New York, infrastructure was not the primary impediment. It was that people couldn't afford it so they sat outside of a fast-food restaurant or a shuttered public library to try to meet up with work colleagues or kids doing their homework.

And so Congress directed us on a bipartisan basis to set up a program called the Affordable Connectivity Program. And right now we have 23 million households that count on this program. It is the largest broadband affordability initiative in our nation's history. It helps low-income households get online and stay online. If Congress does not continue to fund it after April and part of May, we'll have to turn to those households and take that support away. And I think many of them will shut off the service. So it's really important for Congress to continue this program. We've come so far to help address the digital divide. We don't want to go back now.

CHARLES PHILLIPS: So the subsidy is \$30 a month. So part of the criticism you read is that, well, some of those people, they're going to get broadband anyway, how do we know they need it? I guess, how do you satisfy yourself on that?

JESSICA ROSENWORCEL: Well, Congress was very clear here. Congress told the FCC that if a household gets SNAP, Medicaid, veteran's pension benefits, has a child on the Free and Reduced Lunch Program at school, that would be a proxy for understanding that they were low income. And so we use that as the criteria to assess. We don't require them to say, you know, what type of service they had in the past.

But an interesting fact is we did some survey work with our economists, and we found that of the current ACP households, 68% of them either had no connectivity before or inconsistent connectivity. So a really broad swath of them were vulnerable to having no service. And I think that's important because it demonstrates a lot of need.

I think just as important as the conversation I had with a corporate executive about this who said that this program overnight took the most vulnerable people that he has as customers and made sure they were secure. And by the same token, it took the people we think are most vulnerable in the economy and made them more secure with this connection. So I think that's why we have so much support for this from the business community. We have 26 governors who want to see this program re-funded, 174 big city

mayors. You know, in Washington it's rare you get a coalition that big and that diverse, that bipartisan, but support for this program is really, really big. So I hope Congress listens.

CHARLES PHILLIPS: Of the 23 million people who get this subsidy, 1.8 are in the New York area, so it affects us. Any tea leaves from Congress? Is it moving? Are they responding to you?

JESSICA ROSENWORCEL: Let's see, the Problem Solvers Caucus, which is a group in the House that's very bipartisan, just came out in support of it, and I think that's a useful thing to know. They're a great way to gauge what might make its way through a fairly divided Congress. We're just going to keep on being relentless and reminding our colleagues on Capitol Hill how important this program is.

CHARLES PHILLIPS: So we still have a lot of areas in the country that have coverage issues, and you have a number of programs in place. Let's start with the rural broadband coverage. The high cost of deployment there is an issue. I guess we'll bring it up already, so Elon Musk has been trying to win through Starlinks and coverage. That's been in the press lately. You denied him coverage. Can you explain your thinking? What happened there?

JESSICA ROSENWORCEL: Well, you're absolutely right. We have areas that have service and areas that don't. And one thing I'm very proud of under the FCC, under my leadership we've done, is we finally have good maps that say where service is and is not, we've taken all kinds of data and incorporated it in a public map.

CHARLES PHILLIPS: The telecoms are complaining about the map too, that it's not accurate.

JESSICA ROSENWORCEL: Yes, we updated every six months. We've invited them to offer their complaints to us, and we tweak it when we hear them. But we also tweak it when we hear from customers who say I can't actually get this at my address. So we are embracing crowdsourcing to keep this data set updated. My goal is that it outlasts my tenure but also that federal, state, and local officials can use it to understand where gaps are in service.

CHARLES PHILLIPS: And you use that map to decide where to invest.

JESSICA ROSENWORCEL: I mean, like you know, it's the truism. You can't manage what you don't measure. And it is extraordinary, but it's true that in the past the FCC would be doling out money without having a particularly good grasp of where service is and is not.

But back to the individual you mentioned, let's see, at the end of the last administration there was an auction to provide funds to carriers that were willing to serve some of those unserved areas. We had hundreds of them win. But it was structured as a two-phase process. About two weeks before the election, the last administration came out with a preliminary list of winners. Then I inherited the job of doing the financial, legal, and technical review of that preliminary list. And on about a dozen of them we found that they either didn't have the financing or the technical ability to actually meet the criteria in the program. In some cases they were tiny, little entities. In some cases, they were large ones.

And while low earth-orbiting satellites are extraordinary, I mean a geopolitical win for the United States, and revolutionary in their ability to help us reach everyone everywhere, the repeated technical testing by our engineers found that they couldn't consistently deliver the upstream and downstream required for this program. It has capacity constraints. So before you give out a billion dollars of taxpayer money, you're going to make sure that they meet every single criteria.

And, you know, added to our decision making was the fact that there were about 6,500 census blocks where the last administration had awarded funds to this company, where there was already service. Like traffic medians, the Chicago Loop, Newark International Airport, I'm not sure which direction it's from here. And we went to them and asked them

to take it off because we didn't want to be funding places that were already served. And they refused. So you're real careful when you're giving out taxpayer funds and you've got to meet the criteria in the program. It doesn't matter if you are a small company or a company owned by one of the wealthiest people on the planet.

CHARLES PHILLIPS: So to be clear, this is a technical decision just based on the merits...

JESSICA ROSENWORCEL: Of course.

CHARLES PHILLIPS: The *Wall Street Journal* had an article saying it's because they didn't use union labor.

JESSICA ROSENWORCEL: No, no. They are free to read our documents and learn otherwise. I mean, look, there's a lot of decisions you make. It's a good thing to put down social media and sometimes some editorial pages, but the fact is they have not brought us to court. And if they really believed that we were wrong on these facts, on the law or our technical assessment, they could certainly take us to court. They haven't done so.

CHARLES PHILLIPS: Let's talk about, just these programs in general, the GAO says

there are 15 agencies that fund over 100 different programs for broadband development around the country. So is that the right approach? Would you favor a dedicated agency? Should it be you who consolidate it? What's the plan here?

JESSICA ROSEWORCEL: Yes, that number is crazy. I mean if I had a magic wand, if any of us did, we wouldn't organize it that way, would we? No, no. So the one thing that I have tried to do is take advantage of the FCC's technical and historical expertise in this environment. That's why we've built the biggest data set for where broadband is and is not. That's why we've engaged with state broadband offices across the country. That's why I have a Memorandum of Understanding with all the other agencies that have broadband programs compelling them to start using my data. That's why we're also trying to produce a map of which agencies are funding what so that we don't actually overlap with scarce resources. So while I'd like to have a magic wand and make that all simpler, I think we're trying to do a credible job of making sure everyone coordinates and rows in the same direction.

CHARLES PHILLIPS: Another question about access. So you have something called a Digital Discrimination Rule, I guess, something like that. And there are a fair amount of people who are skeptical saying we understand, you want everybody to have access. But the way it was written you can't say disparate impact. You can say disparate treatment but not impact. So how do you kind of balance this delicate thing?

JESSICA ROSENWORCEL: So, in the Bipartisan Infrastructure Law, when Congress was setting aside billions of dollars for broadband deployment, it also developed what I think is the first bipartisan law, a digital civil rights law, which is a direction to the FCC to facilitate equal access to broadband and prevent digital discrimination. It specifically calls out communities by income, race, ethnicity, color, religion, and national origin, and come up with policies to prevent discrimination.

So that's a kind of new task for the FCC. We've never been asked to do those kinds of things before. So my first inclination was do a whole lot of work. We brought in civil rights experts, people who we had not traditionally had at our agency in the past. We held public fora in Kansas, California, Maryland. We tasked a committee that we have to study these things. We've built a really big record.

And what we learned was to give full meaning to that law, we were going to have to look at both discriminatory intent and disparate impact. But we also were really thoughtful when we implemented it. We allow anyone to file a complaint with us, but we're going to investigate it before we move forward. And we've made very clear to the companies that genuine reasons that are based on technical limitations or economic limitations are reasonable defenses to any claims of digital discrimination. And we've also put out a lot of resources to help companies manage this new law.

Now, there's still folks who would like us to overturn what Congress asked us to do. And in the fall we will have oral argument in the Eighth Circuit, so stay tuned.

CHARLES PHILLIPS: So have you seen the companies start to change decisions and change behaviors based on...

JESSICA ROSEWORCEL: We're trying to talk to them. I mean, look, at the end of the day, when I think about this, facilitating equal access to broadband and preventing digital discrimination, the goal isn't to penalize companies. The goal is to fix the problem. And so I am trying very hard to create a cooperative environment because we want to fix the problem. That's the most important thing.

CHARLES PHILLIPS: Okay, let's turn to some security and privacy issue, data privacy, another big topic.

JESSICA ROSEWORCEL: Yes, I know, we're just bouncing from thing to thing.

CHARLES PHILLIPS: We only have so much time. We've got to get all of them in. You have made some announcements on how to ban certain products that are made by Chinese-owned companies as part of our infrastructure. How pervasive is that? I think there's a couple of companies you've mentioned so far, but how did you come to that

conclusion? Were you guys monitoring and seeing something and kind of, how much should we be worried, I guess?

JESSICA ROSEWORCEL: Yes, well, we have concluded, with the help of our national security counterparts, that there is Chinese network infrastructure that is fundamentally insecure. That includes network equipment from companies like Huawei and ZTE. And, by the way, we're not alone here. Our engineering and geopolitical counterparts in Australia, Japan, the U.K., Germany and other places have concluded the same. So at the FCC we've been fairly aggressive about trying to help get this stuff out of our networks and out of our economy.

First, we are helping the smallest carriers that have it in their networks. We're actually paying for them to move it out and replace it. Second, we made it very clear that if we have funding programs, you are not allowed to take public dollars to buy this equipment. And then we have programs where we authorize equipment in the United States, and we're going to exclude equipment from those manufacturers. But I think it's just as important that we're trying to champion the development of new equipment markets in the United States with more secure equipment using new technologies like open radio access networks. So our goal is to get rid of the insecure stuff and help build more secure markets that are centered on U.S. experiences and U.S. software know-how with the next generation of communications equipment.

CHARLES PHILLIPS: On the data privacy side, the perception is we're kind of way behind Europe. They've been aggressive on this, GDPR and other standards they came up with. How would you compare our approach to theirs? And should we be doing more of what they're doing?

JESSICA ROSEWORCEL: Oh, my gosh, they're so different. They're so different that they're almost impossible to compare. When I look at Europe, they have a broad general privacy policy that comes out of Brussels that gets applied by the member states to every single sector of the economy. When I look at the United States, our approach is always sector-specific. When it comes to banking, we have Gramm-Leach-Bliley. When it comes to healthcare, we have laws like HIPAA. When it comes to young people and communications, we have laws like the Communications Online Privacy Protection Act. When it comes to your communications activity, we have policies preventing them from selling who you call, when you call, and where you are when you make phone calls.

So, in the United States, we have chosen a very different route to date than our European counterparts, which is all based on expectations in a specific sector of the economy. Now, as we digitize everything in the economy, it gets harder and harder to understand how those rules apply. And there certainly has been conversation in Congress about the need for a national privacy law, but I don't think we're quite at the

point where that's about to pass.

CHARLES PHILLIPS: Speaking of privacy, one of the news items on CNBC a lot lately has been the car makers, automobile companies collecting information we didn't know they were collecting. Maybe you can describe what they're collecting about us, how did you find this out, and then kind of how is this being resolved.

JESSICA ROSENWORCEL: Oh, my gosh. Well, good for me but maybe not for you, I have an old car. Within the last several years, our cars have turned into smartphones on wheels. They know where you're going, what you're doing, what you're doing in the car. They keep those records. And *The New York Times* has done a pretty phenomenal job of trying to identify what it means to have a smart car with all this connectivity.

I mean, sure, they provide lots of benefits, like they can call for emergency help even if you don't have a phone and you're not capable of reaching them. They can help you find your car in a parking lot that looks infinite. You could turn it on remotely. But what are they doing with all that data? Who is overseeing it?

And early in January, *The New York Times* did a description of a very specific problem, which was survivors of domestic violence were finding that they were being tracked and surveilled by their abusers through their cars. So one in four women in the United States

is a survivor of domestic violence, one in seven men.

And so I looked at that, and I thought about a law we just implemented in the last year called the Safe Connections Act. I worked with Congress to help make it possible for a survivor of domestic violence to get off a family plan in 48 hours. Right? Because that means their abuser can't watch where they go, what they do. It's a lifeline to building their life safely and separately. And it's a terrific new law. It got lots of support from the National Hotline for Domestic Violence.

And the more I looked at that law, I thought, oh, we solved it for smartphones, but we haven't thought about what it means for cars. And *The New York Times* had just done this extraordinarily well-researched piece of journalism about what was happening. So I wrote all the car manufacturers and asked about what types of connectivity was in their cars. Were they complying with certain laws? What did they think about them?

And I think what was really striking is that some manufacturers photocopied the manual and sent us something back. But others made a really detailed effort to try to tell us how they were wrestling with these issues. And it's rare that you approach industry as a regulator in Washington and see them scattered all over the map, which tells you there's an issue here they haven't aligned or organized themselves around. And that's a possibility to me to make sure we have better policies. So I think at the start of next

week we'll start a rule making that will be public asking of the Safe Connections Act applies to cars and how we can think about making sure that people are not surveilled using their vehicles.

Now, that's just the tip of the iceberg. I know that Senator Markey and some others have complained about the use of this data and have requested broader oversight from my colleagues at the Federal Trade Commission. But I think if we can focus on the geo-location issues and the vulnerabilities for survivors from domestic violence, we're actually going to do some good for everybody.

CHARLES PHILLIPS: How do you think of, kind of consumer data generally? Should we have more control over it? Should we be compensated for that? I mean, is there a model for that?

JESSICA ROSEWORCEL: Yes, I don't think that we've evolved enough on this. I mean, we're all pumping out so much data about ourselves everywhere we go. And yet when they survey us, we're like, do you care about privacy? Absolutely. You know the gap between stated preferences and revealed preferences here is really big. I'm astonished at how much I'll give up to save 10 cents in certain environments. We've gotten so acclimated to it. And I'm also astonished at how despite all my training, I'll try to order something online and there's this long list of terms and services and I just tick

the box yes, because, you know, free shipping. Right?

CHARLES PHILLIPS: You're not going to read all that.

JESSICA ROSENWORCEL: No, no. So I think we, I think we have to figure out how to make all of this more clear and more simple. And on that front, I think we have a lot of work to do.

CHARLES PHILLIPS: Speaking of critical data that we must have – TikTok – I have to ask. So one of your commissioners came out pretty aggressively to say we shouldn't be on TikTok, but we haven't seen you say anything yet, or an official position.

JESSICA ROSENWORCEL: Well, it's definitely not within our purview under the Communications Act. Right? Because we deal with communications networks and networking equipment. But many of those same vulnerabilities we've been able to identify in Chinese networking equipment leave me also concerned about TikTok. And my hope is that the bill that recently passed in the House makes its way to the President so he can sign it.

CHARLES PHILLIPS: That's great. Okay. Another big topic, artificial intelligence, deep fakes.

JESSICA ROSENWORCEL: I don't think you have any small topics.

CHARLES PHILLIPS: You don't have any small jobs. You know, fake video, fake voice. We have an election coming up. People don't know what to believe anymore. So what's the FCC's role in....

JESSICA ROSENWORCEL: Oh, my gosh. Artificial intelligence will touch every aspect of our economy. But let's bring it back to something that just happened more recently. In the New Hampshire primary election, maybe you read about this, a lot of voters got a call from the President of the United States with some misinformation about where and when to vote. He's a public figure. It takes about ten minutes to use his voice and produce something artificial. This was a clear shot across the bow and very concerning.

So I'm really proud at the FCC that we stared at our laws, which are old on this subject, and uniformly came out very clearly and said that this violates the Telephone Consumer Protection Act because this is the kind of activity that is artificial and pre-recorded voice. And using the technology that we have through our Traceback Coalition, we were able to identify what carrier was carrying that and stop them from carrying it.

And then we turned to our colleagues in the New Hampshire Attorney General's office and said, here's where we think it's coming from. And the New Hampshire Attorney

General went after the individual. We did all this in record time and made a very clear public statement that was very bipartisan that we have to deter this stuff. What I'm scared about is it all happened at a scale where we won't be able to do that in the future. And that's something that, as an economy, and as a democracy, we're going to have to wrestle with and figure out how to address.

CHARLES PHILLIPS: It's hard to prevent it at that scale, but are there any laws that you're thinking of, already have, that would require labeling or notification or anything?

JESSICA ROSEWORCEL: Yes. I mean we have a very substantial Executive Order from the President on artificial intelligence. We have a lot of interest in Congress but not a lot of new laws. But when I think about hard problems, my inclination is always to say, well, where do you start? And I think where you start with artificial intelligence is it needs to announce itself to you. If it is being used, it should be public. And failure to make public that fact should be a violation of the law. So, to me, announcing itself to you, finding a way to be transparent about that, is the first and most important step.

CHARLES PHILLIPS: Does the FCC have any tools to monitor this?

JESSICA ROSEWORCEL: Well, I think we're going to see more of these junk robo calls and we're going to see, probably some more disturbing efforts to try to come up

with fraudulent stuff during the campaign season. I think the bulk of that will be over the internet, and so outside of our purview. But we are having conversations about this and talking to our colleagues at the Federal Election Commission about it to make sure we're all aligned.

CHARLES PHILLIPS: Okay, I'm going to ask a couple more and then we're going to go to the audience. So we'll give them time to get their questions ready. I want to pivot to kind of media ownership and concentration. We used to have all these rules about not owning too many television stations or newspapers in the same market. Now all of them are in trouble just because of the internet, newspapers, local TV stations. And it might make more sense to consolidate now than it did 20 years ago. So has the law changed? How do you view that? How do you monitor it going forward?

JESSICA ROSEWORCEL: I mean, this is so challenging to even understand what we mean when we talk about media now. I mean there was a time, and it wasn't that long ago, when it meant the newspaper that reached you on your doorstep in the morning, and then it meant my family sitting in front of the, like basking in the glow of the television screen at 6:30 at night. Those days are gone. I mean right now we look for news, content, entertainment, and information, when we want it, where we want it, on any piece of glass that's handy. That is a radical change.

Of course, our laws haven't really kept up with all of that. And at the FCC, we have policies associated with helping cable channels ensure that they can negotiate for carriage on cable and satellite packages. We also have a lot of policies around broadcasting because, you know, radio stations and television stations use public frequencies, and we manage the public airways.

Over time, the FCC has changed its policies on this. You know, for instance, a newspaper and television station can now combine in any city. We have said we're willing to entertain in markets where multiple stations might be interested in the same owner. We've also entertained all kinds of sharing arrangements where stations might share facilities because it's more cost effective.

Ultimately though, Congress put into the law a 39% cap. No station group can own stations that reach more than 39% of the national audience. And it's up to Congress to change that law. But I do want to just acknowledge that the thinking of Congress in setting that cap was that we do better when we have media sources that are competitive and local and more diverse. And the idea was that television and radio stations shouldn't all be owned by the same company in each market, and that diversity and competition really helped make those facilities local and valuable. But Congress may take another fresh look at that. I think the FCC has evolved its rules over time to try to reflect this new environment we're in, which is, of course, challenging.

CHARLES PHILLIPS: And I assume the foreign ownership ban, that's something you still support going forward?

JESSICA ROSEWORCEL: Yes, I think it's very important to understand with broadcasting, you're talking about a license to use the public airways of the United States. So there have long been restrictions in the laws about making those facilities available to foreign governments or foreign-affiliated individuals or companies.

CHARLES PHILLIPS: Going back to our earlier question, if you view TikTok as a media news platform, could that be foreign-ownership?

JESSICA ROSEWORCEL: Yes, so I think it actually just highlights what we've just been talking about, right? Like I have these very stringent rules, like try to imagine a world where a Chinese government entity came to us and asked if they can take over the local, two local television stations in New York. I think you know, without being a politician, that the answer is going to be no. You can't do that under the Communications Act. We're not taking our public airwaves and the capacity to broadcast to a vast portion of the American public and handing it to a foreign government. And yet, what do we have? Maybe 110 or 120 million monthly active users on TikTok. But those same policies don't apply. Right there, it demonstrates the gap between new media and old media and the values we had in our old policies that we

have not applied to the new.

CHARLES PHILLIPS: Do you think that it gets resolved, will be viewed all as just communication at some point?

JESSICA ROSENWORCEL: I think for many of us what we do with our eyeballs and with our ears is we treat a lot of those sources equivalently, but the law doesn't do that right now.

CHARLES PHILLIPS: Okay, let's go to the audience and see if we have some questions.

QUESTION: Just a quick question on apps, Instagram, Facebook, they're all free technically, right? I guess when you think about protecting the consumer, I mean why isn't education just more important? Right? Your data is being shared. Because I know laws are hard to pass, but why not just educate individuals when you're signing on that you require disclosure, very up front. Not like the fine print we get for credit card statements, etc. But just explaining that that's how Facebook makes money. They're giving you this free. They're getting your data. They're sharing it.

All the car companies want to become, as you said, smart cars or smart plays, because

they can't sell cars anymore so they're going to sell technology in your location, etc. But I guess the point is all these apps are free. I guess I'm kind of taken back by the assumption is, it's really not free, and why hasn't anybody just really expressed that basic thing. A technology company has to run data behind this to control us every day. So you have to give them something to get something.

JESSICA ROSEWORCEL: Yes, listen, I think you're absolutely right. I should also acknowledge that at the FCC we're really the engineering nerds who work on the network level. We don't work on the apps. That would be my colleague, Lina Khan, at the FTC. But I think you're fundamentally right about the idea that we need to understand this better. And I think that the disclosures that are presently offered are inadequate.

I'll give you an example of something we're working on where I'm trying to think a lot about transparency and simplicity when it comes to disclosure. I think the government doesn't do enough on that. I think we're always like handing it off to a lawyer whose got like footnotes and footnotes and footnotes and boxes you should tick. And we're all exasperated. So I've tried to think about a government disclosure that really works, and I came back to this.

If you go to the grocery store, you can compare carbohydrates and calories really

easily. Those iconic black and white labels, like we've all used them. We all know what they look like. So starting this morning we're going to make every broadband provider have a broadband facts that's modeled off of that. I'm not sure if that's going to be perfect or ideal. But I think we have to spend a lot more time figuring out how we convey just what you said in a simpler format. I don't think we're doing that adequately right now.

QUESTION: Thank you. This was very interesting. My question is towards the content creation and how we are publishing and showcasing on the TVs. So last week, during the spring break I went to Florida, Orlando specifically. And I wanted to watch the Oppenheimer movie, realizing there's a disclaimer saying that watch out for the kids around because it's very strong language. I switched off. Return, the same thing, I saw a lot of kids around on the flight, so I switched off that particular movie. Realizing that when you come home and are watching the Netflix, there's no filter. There's no censorship. And how come the FCC, I mean even if you go to the movie theater, there's censorship and PG13, all the good stuff that happens. But unfortunately, if you switch on the Netflix...I teach at one of the business schools. I taught the kids ___ Netflix, and I strongly ___ the Netflix subscription fees, globally how they increase. Now I'm realizing the content creation of Netflix or any other outlets, there's no censorship. Even the kids can watch, and how do you....

JESSICA ROSENWORCEL: So this is really a byproduct of history, what you're describing. The FCC has historically had authority over broadcast airwaves. So the television stations that use a 600-megahertz band to reach us in our homes are using a public facility. And being able to use that facility puts them in a position of public trust. So my predecessors long ago, like back in the Kennedy administration, started a policy where they had duties if they used that public resource, including ones that would limit obscenity and profanity over the television screen.

You know, you can, you know some people will criticize those policies are retrograde. But as a parent, you know, I continue to see some value in them. And I'm also struck by how in many other environments, like online and in all these other new services, they don't really exist. I think that gap between one mode and the other gets harder and harder to defend because if you ask my kids, they don't know the difference between a television channel where they're watching, a cable channel where they're watching something that's online. It's just stuff to watch. But they do have very different legal and regulatory histories and that's why those differences are present.

QUESTION: Hi. Thank you so much for your time here. Really interesting. Just a question regarding the Affordable Connectivity Act. You know, I know as a millennial, when I go on the internet sometimes I get lost. Besides the *Wall Street Journal* and other sites, I get lost on Facebook and YouTube and everything else. So is there any

talks with the Department of Education? You know, if you do decide, if the law passes, and everybody in low-income neighborhoods gets internet access, is there any talks with the Department of Education to try to have some sort of educational guidance? Because I know a lot of kids are on Instagram and creating their own YouTube channels. So again, the question is, is there any talks with the Department of Education to help out lower-income folks in the United States?

JESSICA ROSEWORCEL: So we haven't been asked to do that formally within the law, but I've done work and traveled with Secretary Cardona talking about just that. There's good stuff on the internet. There's extraordinary junk. We can be passive consumers or we can be powerful creators. And I think we have a lot of work to do to try to figure out how to expand that creativity and limit the stuff that's less enriching and less worthwhile. We're not educators so I don't want to suggest that we really understand what that curricula looks like. But I'm certain that modern educators think about that all the time in schools as they teach media literacy and media training. And it's never been more important that they do so.

QUESTION: A question here about a national security kind of an issue that has to do with the next few months, the attacks that are coming not just through cars or TikTok but directly on all communication channels from outside sources that have told us they're coming. In fact, they are coming now, but it's going to be an aggressive

campaign. And what do you see your role in this, in identifying the sources? It's hard to, as at one point in time you had suggested that privacy is, and the First Amendment are critically challenging issues to deal with. But what about identifying the sources, location of where they come from and making the local folk really define themselves clearly to your satisfaction? What's your role as the FCC in combating this over the next six, seven months?

JESSICA ROSENWORCEL: So there's this issue and then there's the role of the FCC. Let me just explain the limitations of my role. If, for instance, a radio station decides to lease its time out to Sputnik, I demand that they disclose that fact in their filings and at the time of air because I want to have the kind of disclosure you described. But I would also say that those disclosures on traditional broadcast media like television stations and radio are necessary but ultimately not sufficient because the universe of media is broader and faster and frequently running online. So we are going to have to work to identify that stuff, and by we, I mean we as the public, it's not the role legally of the FCC.

What I am actually really worried about is that we're flooding the zone with so much junk that even individuals who want to sort through it and find out what's factually true wind up like subject to this dividend of deceit, which is that we all just get exasperated and we stop trying to sort through what's true and false. And I'm as worried about the false

stuff as that kind of dividend and what it does to our culture and people who are inclined to try and sort through things and find out what's true. I think that's a huge problem and we have yet to really address it.

CHARLES PHILLIPS: I'll ask one last question...oh, we have one over here. Go ahead. It'll be the last one.

QUESTION: Hi. First of all, I'd like to thank you for your advocacy for the consumer. I wrote an open letter to the FCC under Ajit Pai. And as you're probably aware, he was a lobbyist for Verizon. It seemed like it was a very pro-tel-co administration. My name is Michael Terpin. I'm well known for my lawsuit against AT&T when I was SIM-swapped \$24 million. And the case, which is now in front of a federal appeals court because it got thrown out, awaiting, I guess, the Chevron Supreme Court decision and whether sort of current interpretations of CPI and CPNI would apply to 1996 regulations for me to even, I just want a fair trial in Los Angeles.

I guess my question, that's sort of background, is I noticed that my case was referenced a few times in the thing that I asked for in 2019 of the last administration, which was just clear regulation of the tel-cos on what their responsibilities are in protecting the consumer in a world of SIM-swaps are rampant. And I know you proposed legislation, regulation, and it seems like it's been hampered by the lobbying of the tel-cos. I'd just

like an update on that please.

JESSICA ROSEWORCEL: Yes, on SIM-swapping fraud, in particular, yes, we actually changed policies to try to prevent it. I think they haven't fully gone into effect yet. But it's way too easy for someone to call up your phone company and try to convince them they might be you and get them to take that dime-sized...

QUESTION: Or to bribe an employee, which usually happens.

JESSICA ROSEWORCEL: Yes, a dime-sized chip in your phone and transfer it. And then all of a sudden they can use two-factor authentication, drain your bank accounts, take over your social media. This is a huge source of fraud so we have adopted new rules that would require the carriers to do many more things before they transfer any type of SIM. I would like to watch those rules go into effect and see if we need to continue to update them over time. Because one thing I've learned is that scam artists, they are nimble. They find new ways constantly and so we've got to make sure we keep up.

CHARLES PHILLIPS: Thank you, Commissioner. With that, we'll turn it back over to Barbara.

PRESIDENT BARBARA VAN ALLEN: Thank you both. What a great conversation. So we have many great speakers ahead of us. I just want to share real quickly. Next week, April 11th, we have Susan Collins, the President and CEO of the Boston Fed. She'll be in a conversation with Former Club Trustee, Abby Joseph Cohen. April 16th, we have Francois Villeroy de Galhau. He is the Governor of the Banque of France, again April 16th. On April 23rd, we have Jamie Dimon coming, and that is proving to be a popular event. If you have not gotten your seat, I encourage you to do so. And on April 30th, we have Jared Bernstein, who is the Chair of the Council of Economic Advisers.

Looking forward to May, we have the Founder and President of The HistoryMakers, Julieanna Richardson for a webinar, May 2nd. We have Dr. Ed Yardeni on May 21st. May 30th, we actually have a luncheon featuring our Chair, and of course Chair of the New York Fed, John Williams. All these events are listed on the website. Be sure to review the website now and then as we do add, as you all know, as we move forward.

And finally, I'd like to take a moment to thank those members of the Centennial Society that are here today because their financial contributions provide the financial backbone for the Club and enable us to do our programming. So thank you to all that are attending today. And for those that are virtual, we'll say goodbye. We hope we'll see you next week. And for those in the room, please enjoy your lunch. Thank you.