

Remarks at a Communications Technology Demonstration July 22, 1993

Thank you very much. Distinguished Members of Congress, FCC Commissioners, Mrs. Graham, distinguished members of the high-tech community and communications industry who are here today, I thank all of you for coming, and I appreciate your sitting through my education here. I hope it isn't too warm. We've gotten a little bit of break in the weather. I got to send the Vice President that message over there, and it's nice to know he'll be able to stop the rains in the Midwest within a few moments, remote control. *[Laughter]*

Just beginning by building on what the Vice President said, it is perfectly clear that in our Nation we need an economic strategy that deals with a lot of our larger structural issues, particularly the deficit, but also recognizes that creating jobs today in a global economy requires us to make the most of the assets we have and to find a way once again to make sure that technology continues to be a net generator, not a net reducer, of jobs. We are here today to celebrate one of those opportunities. In recent years, we haven't done enough to control our larger economic issues, nor have we done enough to seize these particular opportunities. We want to reverse both these trends and ignite growth.

The economic plan that I have presented to the Congress, as all of you know, offers \$500 billion worth of deficit reduction divided equally between spending cuts and revenue increases, with most of the revenue increases coming from people with incomes well above \$200,000 and the spending cuts coming across the board in virtually every area of our national life.

The Chairman of the Federal Reserve, Alan Greenspan, in testimony to the House Banking Committee on Tuesday said that the reason long-term interest rates were at a 20-year low is because, and I quote, "of the expectations of a significant, credible decline in the budget deficit." And he pointed out that if we did not act now and significantly, those good trends and long-term interest rates being down—which are leading millions of Americans to refinance their homes, I would imagine including some people here in this audience today, refinance business loans, and otherwise move in ways that are advantageous to themselves and the economy—

that if we did not do that, we would be in trouble. He further pointed out that if we resolved the budget issue and dealt with our health care cost problems, the United States economy could, quote, "emerge healthier and more vibrant than in decades." That is what we're talking about, the future of this country. And I think that is what we must focus on.

Part of this economic plan is the "Emerging Telecommunications Technology Act" introduced by Senators Hollings, Inouye, Stevens of Alaska, Congressman Dingell of Michigan, Congressman Markey of Massachusetts, who is here with us. It's been called the information equivalent of the Alaskan oil strike or the California gold rush. It offers great opportunities for people to create new jobs, start new businesses, invest in people. And it will reduce the deficit, according to Congressional Budget Office estimates, by something over \$7 billion. It's a great deal for all of us.

In this plan we allow for 200 megahertz of the electromagnetic spectrum now used by Federal Agencies to be licensed to the private sector by the Federal Communications Commission. For the few nonphysicists in the audience, the spectrum is the airwaves that transmit communication signals. The additional 200 megahertz of the spectrum would be capable of adding the equivalent of 33 television channels in every market in the United States. A decade ago, as the Vice President said, the U.S. cellular telephone industry was launched on only 50 megahertz of the spectrum. At that time, experts said the industry would have slightly less than a million subscribers by the year 2002. Well, those initial licenses leveraged \$11 billion in private investment that grew into more than 11 million subscribers, \$3 billion in exports, and 100,000 jobs in 1992. When the FCC reallocates the spectrum for personal communication services alone, it is estimated that another 300,000 jobs could be added to the American economy in the next 10 to 15 years. And that doesn't take into account what will be done with the remainder of this 200 megahertz allocation.

This plan creates the infrastructure to develop the most advanced commercial wireless communication networks the world has ever known.

It will allow an industry to grow by tens of billions of dollars by the end of the decade, producing hundreds of thousands of new high-skill, high-wage jobs. It will close our Federal budget deficit, or certainly help to, while correcting America's investment deficit at the same time, a win-win scenario for our taxpayers, our workers, our Government, and our entrepreneurs, an investment of historic proportions.

We have entered a new era of human communications where wireless technologies become information skyways, a new avenue to send ideas and masses of information to remote locations in ways most of us would never have imagined, and as we've just seen in all these demonstrations, also provides new ways to improve people's lives in very practical ways, and perhaps to save lives in remote areas or emergency circumstances where once that was simply impossible. Wireless hand-held computers and phones will deliver the world to our fingertips, wherever we may be, with speed and flexibility.

Only last week the FCC reallocated emerging technology spectrum for the kinds of services and benefits we've seen here today. When a natural disaster hits, this technology can come to the rescue. When an emergency medical ve-

hicle has a patient and the only hospital is a long way away, it can mean the difference between life and death, as we've seen this morning. In schools where wires may be too costly to run, this technology can link students with other students, with libraries in other schools. In manufacturing, this technology can give our companies the extra speed and production that today may make all the difference between staying ahead of the competition and going under.

When the race toward innovation knows no boundaries, this economic plan can keep America ahead of our competitors with information highways and skyways second to none and the best educated, best trained, and best equipped work force in the world. That's what this economic growth strategy is all about: historic change, more growth, more free enterprise, more innovation to put the American people to work and give them the future they deserve.

Thank you very much.

NOTE: The President spoke at 11:13 a.m. on the South Lawn at the White House. In his remarks, he referred to Katharine Graham, chairman of the board, Washington Post Co.

Interview With the New York and New Jersey Media

July 22, 1993

The President. Thank you very much, Mr. Vice President.

I'm sorry we are a little bit late. We had an unavoidable problem come up in the office a few minutes ago that we had to deal with. But I do want to echo a couple of things the Vice President said and make one or two specific points.

On Tuesday, the Chairman of the Federal Reserve Board, Alan Greenspan, appeared before the House Banking Committee. And in his testimony he said the most important thing we could do would be to urgently pass this plan for deficit reduction because there's no question that it is the primary thing driving down long-term interest rates and that the economy could absorb \$500 billion in deficit reduction. And that plus trying to do something about the ever-increasing costs of health care to the Govern-

ment budget and to the American people generally were two things which could give us a very vibrant economy. And I think he used the phrase, something like we could have more prosperity than we'd had in decades.

But I just want to emphasize that when you get outside of the political arena and you analyze this thing, there are Republicans as well as Democrats; there are small-, medium-, and large-sized businesses. Yesterday I had lunch with a significant number of small business people from around America, because most of the vocal support we had gotten for the economic plan had come from bigger businesses. And they were supporting the plan because of the capital gains incentives for investment in new businesses, enterprises that are capitalized at \$50 million a year or less. They were supporting it because of the emphasis on research and de-