

**Ivan Seidenberg**  
**CEA Digital Patriot Dinner**  
**April 2, 2008**

Thank you, Gary, and thank you to the Consumer Electronics Association for this recognition. I also want to add my congratulations to Senator Leahy and Congressman Davis.

- Congressman Tom Davis has brought his private-sector high-tech experience to bear on his distinguished career in the U.S. Congress. He has worked tirelessly to encourage the entrepreneurship, innovation and competition that are so critical to the high-tech businesses in Northern Virginia – Verizon included. He has also championed efforts to ensure that the U.S. government benefits from 21<sup>st</sup> century technologies by chairing the committee that oversees the procurement process for updating the federal government's communication system. Many companies – including my own – will compete to make his vision of a 21<sup>st</sup> century network for the U.S. government a reality. American taxpayers will enjoy the benefits of his efforts for many years to come.
- Senator Pat Leahy was an early sponsor of the Internet Tax Moratorium, which has been key to broadband growth in the U.S. He is also a staunch defender of intellectual property rights, which are essential to the technology community. (By the way, I understand the Senator's favorite band is the Grateful Dead, so I just want him to know that he can download The Dead's music to his cell phone using Verizon's V Cast service – all copyrights fully protected.)

I would also like to thank the many friends, partners and colleagues who spoke so generously in that video. Whatever accomplishments they ascribe to me are really Verizon's. And to the CEA, let me say that the fact that the proceeds of this dinner go to support the USO's work with the men and women serving our country makes this occasion doubly special.

I've been thinking about the term "digital patriot," which to me is really a cool concept. If being a digital patriot means using technology to protect America's interests and build a better society, then it affirms something I believe in my bones: Strong networks are crucial to a strong America. And Verizon is – above all – a network company.

We have staked our future on the power of networks to expand markets, stimulate innovation and help us compete and grow. We have invested our capital to equip our networks to be the platform for the 21<sup>st</sup> century economy. The pace of change across our company is quite remarkable:

- In the last ten years, our wireless customer base has grown from about 6 *million* to almost 66 *million*. We were the first wireless company to deliver a national data network, which now reaches some 250 million people across the country. Later this year, we will begin to test our fourth generation of infrastructure technology – remarkable for an industry barely a quarter of a century old.
- With our acquisition of MCI, we now have the leading global IP network and are steadily adding to its speed and scale. We're also laying a high-speed undersea cable between the U.S. and China and upgrading the Internet backbone so the world's digital freight can move faster and more securely around the globe.
- And of course, there's FiOS, which I guess more than anything accounts for my fifteen minutes of fame after 40 years in the communications business. We began about three years ago to build a fiber-optic network all the way to customers' homes. Now, we've passed about 10 million homes and we're expanding at a rate of 3 million homes a year, meaning that fiber is being deployed in this country faster than anyplace else in the world.

What the U.S. communications industry has achieved in deploying broadband and mobile networks through private-sector investment is unprecedented in the world. The only things that come close are the great public-works projects like the interstate highway system and the Apollo space program, both of which required many billions of taxpayer dollars. Unlike most other nations around the world, the U.S. chose to encourage the building of these networks not through industrial policy but through market-based policies that provided a stable climate for investment. The benefits of this massive capital investment have rippled through the entire communications industry – from the equipment manufacturers who make the cables, routers, and chips; to the software developers; to the content developers; to the consumer electronics companies who invent the devices to make this all work for customers.

The great news – for our industry and for our country – is that we are just at the beginning of this innovation curve.

Today, Verizon's fiber network can deliver 20- and 50-megabit download speeds. Soon we'll be at 100 mbps or more. The big shift, though, is the 20-megabit upload speed: fast enough to upload a one-hour high-definition movie in a few minutes, as opposed to the 9 hours it takes on an asymmetrical system.

Fast enough to turn Web 2.0 into Web 10.0.

To do that, we need the whole high-tech community to engage with these new capabilities. Our customers are leading the way, but often they don't get the full benefit of fiber's bandwidth because many of the social-networking sites they use

today such as Flickr aren't optimized for these faster speeds. Soon, high-definition content will be the norm. But with fiber, we'll see applications that will blow today's HDTV experience away, with three-dimensional graphics, holographic quality and radical interactivity. Instead of scrolling down a list of books on Amazon.com, for example, you'll be able to walk through the shelves of a "virtual reality" bookstore. Instead of looking at a picture of a new car online, you'll be able to sit on your couch and take it out for a test drive. Instead of flying to the Mayo Clinic for a consultation, you'll be able to show the doctor where it hurts without leaving home.

That's a huge wave of innovation, waiting to be unleashed.

The same is true in wireless. Mobile customers already do much more than make phone calls – they text, download music, watch TV, surf the web, share photos, map their location and more. The cell phone is evolving into a kind of "universal remote" for managing all your digital content and accessing it on whatever screen you have at hand. As we move forward, wireless will be embedded into a new generation of "smart" consumer electronics – cameras, cars, credit cards, security systems, and home appliances.

Who knows, maybe Dick Tracy and Maxwell Smart were right and we'll be talking into our wristwatches or the heels of our shoes.

The convergence of these great disruptive technologies -- mobility, Internet and optical fiber – will usher in a new phase of growth for our industry. And while no single company can imagine all the ways these disruptive technologies will be embedded in the daily lives of customers, Verizon intends to lead the way. We're acquiring new spectrum. We're getting ready for 4G wireless technology. We're tapping the inventiveness of the high-tech industry through our Open Development Initiative, which opens our wireless network to entrepreneurs and manufacturers who will develop new devices and applications to run on our network. And we're expanding our fiber network, which will make the 100-megabit home a reality sooner than we think.

And then there's the Internet backbone itself. As more of the world's commerce, entertainment and information flow over the Internet, demand for faster, more reliable digital networks is increasing exponentially. The once-unimaginable speeds of these networks – 40 gigabits per second, with 100 gigabits in sight – are having the same transformational impact on global businesses that fiber networks are having in the consumer space: enabling instantaneous communications, virtual-reality videoconferencing, on-demand software, and 24-by-7 collaborative services that send great ideas racing around the globe at the speed of light, uninhibited.

Here's my point, and it's really pretty simple. The broadband, wireless and global IP networks we're deploying are not just "improved."

They're new.

The uses for these ultra-high-bandwidth networks will take us far beyond what we can imagine today. They will transform entertainment, education, commerce, medicine and the arts. They will have virtually unlimited capacity. They will create whole new industries and involve the entire technology sector in a virtuous cycle of investment, innovation and growth.

And -- if we think big enough -- they will help us address some of the most important social challenges of our time.

Reforming health care with virtual medicine and electronic records.

Saving energy and the environment.

Improving education with distance learning and online tutors.

Empowering people with disabilities and bringing more people into the workforce.

Spreading prosperity by connecting the world's populations to the global economy.

What America's network companies have achieved in building broadband and mobile networks is amazing. The opportunities ahead of us are every bit as huge, and every bit as important for the future of our country.

Meeting these challenges will require digital patriotism on a truly massive scale.

The true digital patriots are the 235,000 men and women of Verizon, who have transformed our company -- and themselves -- by putting our beliefs into action.

We believe that innovation in technology can come from the core as well as the edge.

We believe that inventing the future is more rewarding than protecting the past.

We believe that delivering great networks will create a better future for our company and a better society for America.

Most of all, we love what we do.

I'm privileged to work in this great industry, and on behalf of Verizon, I thank you again for this award.