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Leveraging American Communications Leadership with Open RAN
Networks

House Committee on Energy and Commerce Subcommittee on
Communications and Technology January 17, 2024

Chairman Latta, Ranking Member Matsui, Chair McMorris Rodgers, Ranking Member Pallone, and Members of the Committee, my name is Diane Rinaldo, and I serve as the Executive Director of the Open RAN Policy Coalition. On behalf of the Coalition, I extend our gratitude for this opportunity to discuss the transformational role of open and interoperable solutions in Radio Access Networks (RAN), particularly as we navigate the evolution of 5G technology and prepare for 6G and beyond.

Founded in 2020, the Open RAN Policy Coalition promotes policies to drive the adoption of open and interoperable solutions in RAN. This initiative transcends technological advancement; it represents a strategic shift towards fostering innovation, stimulating competition, and broadening the supply chain for next-generation wireless technologies, including 5G. Our coalition represents a diverse group of ICT companies unified under a common goal: dismantling technological and market barriers to cultivate a competitive, secure, and resilient wireless market. Our members include carriers, vendors, cybersecurity and cloud service providers, innovators, startups, and established technology companies, all committed to the collective health of the mobile ecosystem.

The deployment of advanced mobile networks like 5G is at a pivotal moment, not only for technology policy but for economic security and global connectivity. Open RAN is at the heart of this transformation, influencing how we approach economic and security challenges. A robust and diverse supply chain is critical, and international cooperation on wireless technology is now more vital than ever.

Since I first addressed this Committee almost three years ago, we have made tremendous progress, with more than 100 global Open RAN deployments, including the world's largest deployment, DISH Wireless, right here in the U.S. The Open RAN story is far from complete, though, and there's more work to be done.

The Wireless Innovation Fund of the CHIPS and Science Act, spearheaded by the leaders of this committee, was a landmark achievement, introducing grant programs to catalyze Open RAN initiatives. However, the allocation and deployment of these funds have not met the pace of innovation – with only a marginal percentage of the allocated budget being utilized. Of the \$1.5 billion dollars allocated, only 6% has been distributed: 4% to businesses and only 0.01% to small businesses.

To truly drive innovation, it is essential that these funds are fully deployed within the next two years.

The undeniable truth is that we face global challenges to maintaining our competitive edge. China's Belt and Road initiative, and Digital Silk Road with more than 150 countries participating, has made networking deployments a priority. CCP "national champions" are competing with the full financial backing of China and with the strategic intent of "vendor lock-in." While Open RAN reduces costs in hardware and software and creates the possibility to break vendor lock-in, these heavy foreign investments tip the scales more than those cost savings can ever compete with.

My experiences across various roles, including in the House Intelligence Committee and as the head of the NTIA, have highlighted the persistent issue of the financial constraints of developing nations, making them susceptible to predatory moves of malign actors. Simplifying and expediting the processes for our companies to compete effectively is necessary to shorten that funding gap.

To improve the financial footing of global telecom deals and establish the U.S. as a major counter-balance to the CCP, the Coalition is seeking for the Export-Import Bank (EXIM) and the Development Finance Corporation (DFC) to have more flexibility in financing wireless telecommunications projects, especially those promoting strategic security interests, including Open RAN.

Our proposal is simple: if a trusted supplier is competing for a global project against, or proposing to "rip and replace" a company on the Federal Communications Commission's (FCC) "covered entity" list, EXIM Bank and the DFC would have the ability to waive certain statutory financial risk restrictions. This narrowly tailored update targets advanced wireless telecommunications infrastructure projects promoting U.S. strategic security interests, including Open Radio Access Network projects. It would provide a market-based mechanism to help level the playing field and allow trusted suppliers to compete, win bids and advance U.S. interests. This is a necessary first step in coordinating an allied effort to combat these market-distorting subsidies.

The Coalition's global engagement spans more than 80 countries, promoting open and interoperable telecommunications standards. This presence not only enhances connectivity and economic growth but also strengthens international relations. The Coalition's efforts in bridging the digital divide in underserved regions exemplify our commitment to global leadership and technological advancement. We work with governments around the world at each stage of adoption. Regardless of the starting point, our work will drive governments upwards on the adoption curve, catalyzing private sector activity.

The Coalition is focused on work with the Quadrilateral Security Dialogue countries and was tasked in September 2021 by the four countries—Australia, Japan, India and the United States—to coalesce the four nations on a path forward for Open RAN. Since our first task, we have expanded that mission to include other important and like-minded countries. In 2024, we will expand further to include support of the new Global Coalition on Telecommunications (GCOT), which includes the United Kingdom, Canada, Australia, Japan, and the United States. GCOT is the broadest governmental coalition to date.¹

The journey of the Open RAN movement is a testament to innovation and opportunity. To maintain momentum, it is imperative that the funds allocated under the Wireless Innovation Fund be fully and promptly utilized. We must also adopt a holistic approach to counter global market distortions and ensure competitive parity for U.S. and allied vendors. The Coalition seeks not to reinvent the wheel but to ease the path forward, ensuring the continued evolution and success of the telecommunications industry.

I appreciate the opportunity to be with you today.

¹ <https://www.ntia.gov/press-release/2023/statement-assistant-secretary-davidson-global-coalition-telecommunications>