

**STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

Re: Review of Part 15 and other Parts of the Commission's Rules, Third Report and Order, ET Docket No. 01-278

With more than two billion tons of freight traveling through U.S. ports and waterways yearly, ensuring the efficient flow of goods while reducing the possibility of terrorism and fraud is no easy task.

Today's *Third Report and Order* allows a powerful new technology to help secure our ports while increasing productivity. Specifically, we change Commission rules to allow for the introduction of smart shipping containers that can detect intrusions and streamline the inventory process.

When you consider that a trillion dollars worth of goods pass through our ports annually, the potential economic benefits of this technology become clear.

It is worth noting that some have raised privacy concerns regarding the use of radio frequency identification (RFID) tags. We are aware of these concerns, and stress that today's ruling is narrowly tailored. The technical and operational rules we adopt today allow higher-powered/longer-duration RFID tag use on limited frequencies, and only in commercial and industrial environments. We also take steps to protect federal government radar sites from interference by requiring grantees of an equipment authorization for a 433 MHz RFID device to register their location and inform purchasers where the devices may or may not be used.

I'm excited by the prospects for improved inventory control, lower costs, and increased homeland security that this technology promises to bring.