



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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**OPENING REMARKS OF COMMISSIONER AJIT PAI**  
**AT RURAL BROADBAND ROUNDTABLE**  
**OSWEGO, KANSAS**  
**SEPTEMBER 6, 2012**

Thanks to all of you for taking the time to attend this morning's roundtable discussion on rural broadband. Thank you as well to the folks at CenturyLink for organizing this event and for all the work they are doing to deploy broadband here in Oswego and other small towns across the country.

As you may know, I am one of the five Commissioners at the Federal Communications Commission, so I spend a lot of time these days thinking about broadband deployment. And, as you may know, I grew up about twenty miles from here in Parsons.

It is great to be back in Southeast Kansas. I care deeply about rural America, and I believe that being raised in a small town like Parsons gives me a unique set of experiences that informs my worldview. I understand firsthand that the communications landscape is very different in rural areas than it is in cities. For instance, while I was growing up, my family did not have cable television. Instead, we eventually had a satellite dish installed in our back yard. The dish was approximately 10 feet wide and 10 feet tall. With the dish, we could watch non-broadcast programming if we typed the channel coordinates into a set-top box and waited a minute or two for the satellite to reposition itself. Needless to say, this experience isn't shared by many of my friends who were raised in big cities, as compared to those of us who lived on Rural Route 4 in Parsons.

When rural issues cross my desk at the Commission, they aren't just abstractions to me. I know that the decisions that we make at the FCC have a real impact—on my parents, on my friends, and on my former neighbors. And I also know that back in Washington, DC, we often focus too much on the political controversy of the day rather than the longer-term issues that affect the heartland.

One thing that concerns me, for example, is the depopulation of rural America. People in Washington don't talk about it much, but it is a serious issue. Take Kansas. In the last decade, the population dropped in 77 of our 105 counties. Here in Labette County, our population has declined in every census since 1920. Our population has fallen 38% from its peak. A similar story could be repeated in almost every county, every city, and every town in rural America.

Why is this? There seem to be several reasons. Young people leave in search of better economic opportunities. Parents depart in order to provide their children with more educational options. Senior citizens abandon communities where they have lived all of their lives in order to obtain easier access to the medical care they need.

To put it very simply, this is a tragedy. We cannot ignore the challenges facing rural areas; they are as much a part of the national fabric as our biggest cities. I know how great it is to grow up in rural America, and I want future generations to be able to have that same experience.

That's why the topic of today's roundtable is so important. If we want to revitalize rural America, encouraging rural broadband deployment needs to be a top priority. Broadband access to the Internet can address many of the reasons that people leave for metropolitan areas. A broadband connection can enable a small businesswoman in Oswego to market her products to a nationwide audience, not just to people in Labette County. High-speed Internet access can make available more educational options for rural students and those seeking job training. And strong broadband infrastructure can supply better access to medical care, via telemedicine, to citizens of all ages. In short, broadband can bring to the country many of the opportunities often taken for granted in the city.

I have only been at the Commission a short time, but I have already learned that there is no substitute for hearing directly from those across the country who are affected by what we do. So I look forward to learning about the challenges that Oswego and Southeast Kansas generally face when it comes to broadband deployment and to hearing your ideas for what can be done to address them. Before we get started, however, I wanted to share two brief thoughts with you.

*First*, we need a regulatory environment that encourages the private sector to invest in and upgrade rural broadband networks. When regulators make it difficult for broadband service providers like CenturyLink to deploy broadband, rural America loses. The economics are as simple as they are unfortunate. Broadband networks in more densely populated areas are the most profitable; networks in more sparsely populated areas are the least. So if the regulatory environment is unfavorable, broadband service providers are likely to jettison their rural investments first. This is one of the reasons why it is so important that we work at all levels of government to remove regulatory barriers to infrastructure investment and to stop new ones from being created.

*Second*, as we go about implementing reform of the Universal Service Fund, there will continue to be a debate about its size. Some will want it to be bigger; others will call for it to be reduced. But we should all agree on at least one thing: Whatever amount we choose to spend, we should strive to get the most bang for our buck.

This means that future funding needs to be stable and predictable so that companies can make long-term investments. Our rules of the road can't change every year or two, and Washington's funding formulas for carriers shouldn't redistribute money annually in an arbitrary or haphazard manner. We also need a transparent system for distributing funds, one that companies can understand to plan their investments and that government watchdogs can follow to guard against waste, fraud, and abuse. And simplicity is essential if the system is going to work; we cannot create a regulatory framework so complicated that the only people who understand it work at the FCC.

In short, my goal is for rural America to reap all of the benefits of a 21<sup>st</sup> century communications infrastructure—one that connects the city with the country, and the suburbs with small towns. All Americans, no matter where they live, should be able to share in the bounty of the communications marketplace. Working with all of you, I'm hopeful that we can make that happen.

Thank you again for participating in today's roundtable, and let's get the discussion started.