

“WHAT THE FUTURE HOLDS FOR LOCAL GOVERNMENTS”

**Remarks of Gigi B. Sohn
Counselor to the Chairman
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Life is good. I'm in San Diego. My New York Mets are in first place in September. And my New York Jets are still undefeated ... although that's largely because they haven't played yet.

Best of all, I'm with NATOA.

NATOA is my kind of organization. You're committed to enhancing Americans' lives by improving our communications networks. And you do the hard work at the grass roots-level to drive meaningful change.

During my two-plus decades as a public interest advocate in the communications sector, I always saw NATOA as an important voice, and, on many issues, an important ally.

But my nearly two years as a public servant at the FCC have given me an even deeper appreciation for NATOA. For most of my professional life, my role was to serve as an outside advocate – to prod change and to shape policies, but ultimately it was up to others to deliver the results. At the FCC, my role has been reversed. Everyone is now telling my team what to do, and we are the ones responsible for implementing policies.

NATOA basically serves both roles. As an organization, you advocate for policies that serve the communications interests and needs of local governments. As individuals, you are the people on the front lines, developing and implementing policies to make sure your constituents can access world-class communications.

Simply put, your members are pioneers. You have taken the initiative to bring fiber to your schools and libraries. You help make sure that there is quality public, educational and governmental programming available in your communities. You help to ensure that people can reach 911 when they need it. And increasingly you are actually planning and deploying community broadband networks.

For all of your efforts, I want to say, “Thank you.” Thank you, for all that you do for your communities and for our nation.

But you didn't invite me out here to tell you how great NATOA is – although I assume you don't mind that. I'm here to talk about what the future holds for local governments.

So let me share a few thoughts.

Without question, the landscape is changing for local governments, but in a good way.

Most significantly, the future is not in cable, but in broadband. Even the cable operators acknowledge this. This is good for your citizens – the broadband future has more freedom, openness and choice. Broadband facilitates education, healthcare and economic empowerment. And importantly for all of you, broadband facilitates good government and civic participation.

Rather than wait for incumbent ISPs to build the network your cities want and need, you can take control of your own broadband futures.

Rather than thinking of yourselves as taxers and regulators, which has been the traditional role, you can think of yourselves as facilitators of the kind of services you've been begging the incumbents to provide for years.

This is incredibly exciting, and I'm sure somewhat frightening. But the new model for local governments looks to benefit their citizens through externalities, not direct revenues.

You see this future in cities like Sandy, Oregon, which has about 10,000 residents. Without any support from taxpayer dollars, the SandyNet community broadband network is putting the finishing touches on a citywide upgrade to fiber, which makes broadband available to residents starting at \$40 a month. Thanks to smart planning, the city manages SandyNet with a staff of only five people.

You see this future in Westminster Maryland, a historic city about 30 miles west of Baltimore. The city just launched a gigabit network that is the result of a public private partnership with a company called Ting. The city finances, owns and maintains the fiber infrastructure, while Ting leases the fiber from the city and provides all the equipment and services necessary to light the fiber. Thus, the partnership reduces the financial risk to the city and citizens of Westminster because the burdens and benefits of the network are shared. This incentivizes everyone to work towards the network's success.

We are making changes of our own at the FCC to reflect the shifting broadband landscape and make sure that we seize the new opportunities and mitigate the challenges. For example, we pre-empted restrictions on community broadband in response to petitions from community broadband providers in Tennessee and North Carolina. Our Connect America Fund just committed to pay \$1.5 billion annually over the next 6 years to ensure that rural America gets connected. And we are in the middle

of a proceeding to modernize our Lifeline program so that ALL Americans can get access to broadband.

We at the Commission want to work with NATOA to remove barriers to broadband deployment, spur competition and ensure access for all. We consider you to be a vital partner in achieving these goals. With that, I look forward to answering your questions.