

**REMARKS OF FCC CHAIRMAN AJIT PAI  
AT THE KANSAS BROADBAND CONFERENCE**

**WICHITA, KS**

**SEPTEMBER 21, 2017**

Thank you for that warm welcome, and thank you to our hosts for organizing this get-together. You know you're at the Kansas Broadband Conference when the sponsorship levels are Ad Astra, Buffalo, Prairie, and Sunflower. I love it.

I'm truly delighted to be back in Kansas for the first time since becoming Chairman of the Federal Communications Commission. How happy am I? Think about how you felt watching the Kansas City Chiefs blow out the New England Patriots on opening night. Now, think about how it feels knowing that the University of Kansas and Wichita State basketball teams are *both* pre-season favorites to make the Final Four. My happiness to be back home falls within that range of emotions.

To appreciate how happy I am to be here, it's helpful to understand where I've been. Not to say that my path home to Kansas was circuitous, but Dorothy's got nothing on me.

On my first full day as FCC Chairman, I convened a meeting of the FCC's terrific staff. I told them that my number one priority would be closing the digital divide and making sure that all Americans can enjoy the benefits that come with broadband.

To learn firsthand about the digital divide, to explore ideas for closing it, and to build momentum for action, I thought it would be a good idea for me to get out of Washington whenever possible to meet with Americans working in their communities to expand digital opportunity. And that's exactly what I've done. My Digital Divide tour has taken me to Pennsylvania, Ohio, Michigan, Wisconsin, Iowa, Minnesota, South Dakota, Wyoming, West Virginia, Maryland, Virginia, Arizona, Nevada, Texas, Indiana, Illinois, and Missouri. But after 17 states, over 40 stops, more than 4,000 miles in rental cars, and quite a few Wendy's Frostys, the path has finally led me home to Kansas.

Time and again, my travels have reaffirmed my belief in the power of the Internet to improve the lives of the American people, particularly in rural America. This afternoon, I'd like to focus my remarks on both the challenges involved with connecting rural America, including rural Kansas, and the opportunities that can be unlocked by overcoming those challenges.

Let's start with the opportunities. Broadband's power to conquer distance and overcome isolation holds special promise for rural America.

High-speed connectivity ensures that anyone with a good idea can put a business plan into practice. Consider two Kansas State University students who were having trouble finding a way to haul some stuff across town. They wondered why there wasn't an Uber for trucks. Well, they created an app named Bungii, which allows people in Manhattan and Kansas City to hail a pick-up with one click. They're now looking to expand to other locations.

I consistently hear from small-town entrepreneurs that broadband has leveled the playing field between small towns and competitors in large cities. With a fast Internet connection, rural innovators can

compete in the national market while still working in the community where they grew up, with the lifestyle they love.

Broadband is leveling the playing field for students in rural America, too. If your local high school doesn't offer AP Physics, distance learning makes it possible to take the class online.

And then there's the matter of health care. A common problem for rural Americans is living hundreds of miles from the nearest hospital. But telemedicine enables remote diagnosis by a specialist and easy follow-up care at home. One of the most promising tech companies in Wichita is Vigilius. Vigilius connects remote clinics with specialty care offered by larger facilities. The company already serves over two-dozen Kansas hospitals, and it's expanded to Nebraska, New Mexico, and New York.

Internet connectivity is even boosting the bottom lines of U.S. farmers. Whether it's participating in online auctions for livestock or equipment, tracking commodity prices in real-time, or using precision agriculture to monitor and manage fields, broadband is changing the way farmers do business, helping to cut costs and increase productivity. Indeed, last October, when I was in Kansas, Senator Roberts and I had the chance to visit a feedlot in Allen that used wireless broadband to monitor each cow's food intake.

So there's no question that high-speed Internet is a game-changer for rural Americans. It's improving standards of living more than any new technology since the rural electrification effort in the early 20<sup>th</sup> century.

That is—so long as you have access. And that's the big challenge. Rural Americans too often find themselves on the wrong side of the digital divide. In rural America, 28% of households lack access to high-speed, fixed service. In urban areas, only 2% go without.

Kansas reflects that national average. 28% of rural residents lack access to high-speed fixed service. That's over 200,000 people. And in the rural parts of Sedgwick County, just outside of Wichita, 58% of households have no option for high-speed Internet, according to the latest figures.

Obviously, that means that rural Americans are missing out on opportunities for jobs, health care, education, and more, and there's a significant cost to those lost opportunities. But I worry that we're losing something even greater if rural communities remain stuck in the analog age.

That's the slow fade of rural communities themselves. Over the past decade, the population has dropped in 77 of 105 Kansas counties. Wichita State researchers crunched the numbers and found that the long-term outlook for Kansas is no better. The statewide population is projected to grow by 634,000 people—a 22% increase—over the next 50 years. But that growth will be confined almost exclusively to the areas surrounding Kansas City, Lawrence, Manhattan, and Wichita.

Overall, 80 out of 105 counties are projected to lose population, and 62 counties are projected to lose more than a quarter of their people. Rural Kansas currently accounts for about 900,000 people—31% of the population. But by 2064, the rural population is projected to shrink to 700,000, which would be only a 20% share of the state's population. We face the very real wasting away of rural America.

My hometown is one of these areas that's been on a slow but steady downward trajectory. Labette County (which includes Parsons, where I grew up and my parents still live) has lost about 38% of its residents over the past century. And during the next half-century, Labette County's population is projected to shrink further from about 21,000 to 14,400, another 31% drop.

To be clear, I'm not saying that the digital divide is the reason why rural communities are shrinking. This trend started before the commercial Internet even existed. What I am saying is that how we deal with the digital divide will affect the destiny of towns like Parsons and Ulysses and Beloit and Hiawatha. It'll help determine if this population loss gets faster, slows down, or is potentially reversed. Broadband-enabled opportunities for jobs, education, health care, and agriculture can be a great equalizer for rural America. But so long as some rural communities don't have broadband, they'll fall further and further behind.

I've been asked in our nation's capital why I focus so much on rural America. But to me, that gets it backward. We just can't 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. This isn't just nostalgia. It's about our economy and national competitiveness. In a connected global economy, we can't leave millions of Americans sitting on the sidelines. Some say we can't afford to bring high-speed connectivity to places like rural Kansas. I say we can't afford not to.

That's why the FCC is pursuing an aggressive agenda to extend digital opportunity to all Americans, particularly in rural areas.

To spur network deployment in sparsely populated areas where the economic incentives for private investment don't exist, the FCC is providing direct funding that leverages—not displaces—private capital expenditures. Through our Mobility Fund, a successful public-private partnership, the FCC will invest \$4.53 billion over the next decade to bring 4G LTE service to rural Americans who don't have it today. In addition, we approved \$2 billion through our Connect America Fund to boost fixed broadband in currently unserved locations. We're distributing this money in an efficient, fiscally responsible way by using competitive reverse auctions to allocate these funds.

Federal subsidies are one thing. But we also want to modernize our regulations to give companies a stronger business case to build and expand high-speed networks. The plain truth is that bureaucratic red tape at all levels of government can slow the pace and increase the cost of network deployment. The FCC has proposed to change that to make it easier to install wired and wireless broadband infrastructure. These efforts will help broadband providers access utility poles, site wireless infrastructure, and transition from yesterday's copper networks to tomorrow's fiber networks.

We believe that removing barriers to investment promotes more competition, which fuels innovation and investment and benefits consumers. We also recognize that deployment in rural America is expensive won't be easy. So we have to be creative—and we have been. This June, for example, the FCC approved a plan allowing a company to use hundreds of satellites in low-Earth orbit to provide high-speed broadband. Other satellite companies have also asked the FCC for permission to do the same. This technology could be a promising option for those living in hard-to-serve areas.

When removing burdensome regulation isn't enough to attract network investment, we should consider creating incentives. Last September, I proposed that Congress create what I called Gigabit Opportunity Zones. The idea was simple: provide tax incentives to encourage companies to build Internet infrastructure in low-income urban and rural areas that are otherwise too easy to write off. My proposal was inspired by former Secretary Jack Kemp, who lamented decades ago how many cynics “miss how rapidly, in an entrepreneurial economy, the poor can move up the ladder of success.” I'm thrilled that Senators Shelley Moore Capito and Chris Coons and Congressman Doug Collins have introduced the Gigabit Opportunity Act, which advances my proposal.

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I'll close with this. Rural Kansas taught the world that there's no place like home. But if young Kansans can't get a good Internet connection, they'll eventually decide that home is no place for them. Rural Americans shouldn't have to leave their hometowns to have the same opportunities as everyone else. That's why I'm so encouraged to see so many public- and private-sector leaders at this conference developing strategies to expand digital opportunity to all Kansans. I want you to know that you have a committed partner, who happens to be from Kansas, at the FCC. When we connect these rural communities, it's good for their residents, it's good for Kansas, and it's good for the nation. Now let's get to work.