

STATEMENT OF CHAIRMAN AJIT PAI

Re: *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, WC Docket No. 17-84.

It seems like ancient history now, but at one time, fax machines were thought to be a necessary accoutrement of the modern office. That changed rather quickly—so much so that when I joined the Commission in 2012, I was surprised to learn (1) that I had a fax machine and (2) that the agency’s default was to include a fax machine number on business cards. (I jettisoned it in favor of my Twitter handle.) Technology, and consumers’ expectations about it, had simply outpaced the bulky device that played a critical role in movies like *The Firm* and *Back to the Future II*.

Same too with legacy copper networks that we all relied upon in the late 1980s. They are ever more outdated as consumers lead the migration to fiber and other advanced IP-based technologies.

That all-IP world is one that is more resilient, more robust, and more competitive. That’s why a key to closing the digital divide is maximizing providers’ ability to invest in building the modern networks that fuel the Internet economy.

But unneeded regulations deter many companies from investing in these new networks. Having to maintain two networks—one legacy, one modern—diverts resources away from new deployments. By definition, every dollar that is spent maintaining fading copper networks cannot be spent on fiber. And the dollars are substantial; one estimate found companies could save \$45-50 in operating expenses per home each year by not having to maintain old copper facilities.¹ Nationwide, that translates into billions of dollars annually that could be devoted to next-generation networks. But that digital opportunity is denied when the FCC’s rules force carriers to maintain the networks of yesteryear.

So today, we act to remove excessive regulation that is slowing the IP transition. We streamline our copper retirement rules so that carriers can efficiently switch to newer technologies that better serve consumers. We allow carriers to notify customers of changes before notifying the FCC so they can better coordinate transitions. We speed the process for discontinuing little-used or low-speed legacy data services. And we turn back the misguided “functional test,” which effectively established a mother-may-I approach to building networks which disserved both consumers and companies.

This decision will especially benefit rural America. As it is, the business case for installing infrastructure in low-density areas can be hard. Forcing companies and their capital through a government-controlled bottleneck makes it even harder. Promoting more market-based decisions will improve business cases for rural broadband, helping rural communities. One study found that a package of reforms—including many we adopt today—would make it economically viable for the private sector to deploy fiber to the premises in millions of additional rural locations.² These are people and places that for too long have been on the wrong side of the digital divide.

Unfortunately, though unsurprisingly, some who oppose this decision have engaged in fearmongering, claiming that consumers will suddenly be left without service or that service will be taken away without notice. So let’s set the record straight: If a carrier wants to stop offering traditional telephone service, then our rules *still* require notifying the affected consumers and seeking permission through the FCC’s section 214 discontinuance process. That is true today and will be true after this order is adopted.

¹ See Corning Comments, Attach. at 31.

² See Corning Comments, Attach. at 33.

Likewise with the claim that this order leaves those with disabilities in the lurch. In fact, we clearly warn that “carriers that are seeking to discontinue a legacy service in favor of an advanced service . . . must, as a matter of law, ensure that the replacement service is accessible, compatible and usable to persons with disabilities.”³

It’s also ironic that many of those fiercely opposed to accelerating the transition to fiber and IP-based technologies are simultaneously upset about what they claim is the lack of competition in the broadband market. Well, you can’t have it both ways. Either you want to enable a company with 20th century copper plant to compete in the 21st century—or you don’t. If you don’t, then you can’t complain about the lack of competitive choice at the current broadband standard.

The bottom line is that the IP transition is here, and that consumers are better off with it. The FCC can either strand investments in the modern equivalent of the fax machine or it can deliver value for consumers, today and tomorrow. I’m glad this Commission has its eyes on the future.

Thanks to the staff who have worked so hard on this item. From the Wireline Competition Bureau: Michele Berlove, Adam Copeland, Lisa Hone, Dan Kahn, Dick Kwiatkowski, Pam Megna, Kris Monteith, Terri Natoli, Eric Ralph, Michael Ray, Zach Ross, and John Visclosky; from the Office of General Counsel: Billy Layton, Rick Mallen, Linda Oliver, and Bill Richardson; from the Consumer and Governmental Affairs Bureau: Robert Aldrich, Susan Bahr, Eliot Greenwald, Suzanne Singleton, and Karen Peltz Strauss; from the Office of Strategic Planning: Paul Lafontaine; and from the Enforcement Bureau: Rosemary McEnery and Lisa Saks.

³ See Para. 153.