

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

APPROVING

Re: *Connect America Fund, ETC Annual Reports and Certifications, Rural Broadband Experiments, Connect America Fund Phase II Auction, WC Docket Nos. 10-90, 14-58, 14-259, AU Docket No. 17-182, Order on Reconsideration.*

APPROVING IN PART AND CONCURRING IN PART

Re: *Connect America Fund Phase II Auction Scheduled for July 24, 2018 Notice and Filing Requirements and Other Procedures for Auction 903, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice.*

“When will high-speed broadband reach my community?”

Month after month, year after year, I have been asked that question by hundreds of consumers longing to be part of the digital economy. Consumers, who are spending hundreds of dollars on a cellular hotspot every month, those who have been quoted tens of thousands of dollars in construction costs just to bring a wire a few hundred feet to their home, and others in communities with no internet at all who have been told for years, that the business case just does not exist for bringing them service. Today, we take another step forward in our ability to answer that question for the millions of consumers who currently lack access to high-speed fixed broadband service.

Demographic data shows that most of these individuals live in areas marked by persistent poverty: communities that would benefit the most from connectivity; areas that are populated by those who are cut off from robust job opportunities; places that remain at a marked disadvantage, when it comes to education, healthcare, government services, and civic participation. Today, we act as a full Commission in laying the groundwork for an auction that kicks off later this year which will in the foreseeable future, bring hope to those currently stuck on the wrong side of the digital divide.

One thing that I have consistently sought in this quest, is to make it easier for smaller providers to participate in this competitive auction. Why? Because more bidders more often mean both a better bang for our universal service buck, and better, targeted service for local consumers. Two years ago, I asked that we allow smaller banks, including community banks, to provide letters of credit; and for enabling certain parties to provide audited financial statements after being selected as a winning bidder in the auction instead of before; and the creation of a flexible process to enable entities to use a range of technologies to provide service in unserved areas because greater participation is more often better for us all.

Fast forward to this item, and again the need called for more changes to enable smaller entities to more fully participate in the auction. I am pleased that we eased some of the burdens small providers face, including challenging financial qualifications and the use of consultants. I am also pleased that we put in place the means for robust educational efforts that could uniquely benefit smaller providers.

Yet I find myself still having to concur in part.

I am disappointed that we are unable to use smaller geographic units than census block groups. And, that despite our unified desire as a Commission to spur deployment on Tribal lands, we do not take any action here either. The FCC’s 2016 Broadband Progress Report found, that more than 68 percent of Americans living on Tribal lands in rural areas, lack access to fixed broadband of speeds of 25 Mbps down and 3 Mbps up. That we do nothing additional to incent Tribal broadband speaks volumes.

It is also cold comfort to me that many of these companies winning auction monies will be the only game in town, and that if by chance, they engage in blocking, throttling, or paid prioritization, there will be nowhere for those consumers to turn. The majority's decision last month to dismantle net neutrality protections is to blame for this uncertainty, yet I am inspired by states like Montana and New York, that make clear of their intent to protect their consumers when the federal government has chosen not to do so.

Nonetheless, to the dedicated public servants on the Rural Broadband Auctions Task Force and in the Wireline Competition Bureau, I thank you for your unwavering commitment to universal service and for focusing on how to ensure that all Americans have access to the promise that broadband brings.