

**REMARKS OF FCC CHAIRMAN AJIT PAI
AT CANTO 2018 FIRESIDE CHAT**

PANAMA CITY, PANAMA

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Good afternoon! Before I begin my remarks, I'd once again like to thank Chairman Wilkins and the whole CANTO team for putting on a great conference. My time in Panama has been both enjoyable and enlightening.

At my remarks during yesterday's opening session, I talked about why we are all here: to help bring the benefits of communications technology to all the people we serve. Before taking questions from Chairman Wilkins and you in the audience, I'd like to talk briefly about how we are pursuing specific policies at the FCC to bring digital opportunity to the people of the United States. In particular, I'll focus on infrastructure and spectrum.

To give some perspective to the importance of infrastructure, consider this fact. In the United States, telecommunications companies invest more capital annually than any other sector of our economy. We're talking tens of billions of dollars poured into our economy each and every year. So even small changes to infrastructure policy can have a really big impact.

Infrastructure policy has taken on added importance thanks to the evolution of wireless networks. We are shifting away from 200-foot-tall towers to small cells that will be more densely deployed. A U.S. wireless industry analysis that was released earlier this month said that there were a record 323,000 cell sites in operation at the end of 2017. And the report projected that carriers will need to deploy an additional 800,000 small cells within the next five years.

The central focus of our infrastructure policy has been removing regulatory barriers that hold back private network investment. We believe, based on experience and logic, that promoting more investment will lead to more facilities-based competition.

That's why one of my first actions as Chairman was to order an agency-wide review of the FCC's rules to identify how to modernize our regulations in order to increase broadband deployment. In addition, I convened a panel of outside experts from industry, government, and the NGO community to make recommendations on ways the Commission could encourage, rather than frustrate, network investment.

And next week the FCC will vote on a proposal that came as a recommendation from this group. We will vote on streamlining the process to "make ready" utility poles for new attachments. Instead of having multiple parties prepare poles for a new attacher one after the other, as is current practice, we would allow for a single construction crew to do all the make-ready work at once for most new attachments. By making it quicker and cheaper to attach to poles, this "one-touch-make-ready" policy can accelerate network buildout and make it easier for new companies to enter the broadband market and compete.

Another especially significant reform came this March. That's when we updated our environmental and historic preservation reviews to prepare for small cells that will be a key part of 5G. Previously, small-cell deployments triggered the same federal environmental and historic preservation reviews designed for 200-foot-tall towers. That may not sound like a big deal, until you consider that these reviews by one estimate account for 29% of the costs of small cell deployments—roughly \$10,000 per antenna. With tens or hundreds of thousands of small cells expected in coming years, our reform means major savings.

In addition, we've modernized rules that required companies to maintain out-of-date copper networks. This measure will direct more investment toward the resilient networks of the future, not the fading networks of the past. Besides these more targeted proposals, the FCC is committed to the market-based, flexible, light-touch approach to network regulation that has governed the Internet in the United States for much of its existence. That's why we reversed the previous Administration's decision to impose 20th century utility-style regulations on our 21st century networks. These regulations were not designed to solve a market failure—there was none in 2015. And they were reducing investment in networks—precisely the opposite of what consumers want.

Shifting to spectrum, that same industry assessment saying that the U.S. will need to deploy 800,000 new small cells in the next five years also found that the U.S. had 40 times more wireless data traffic in 2017 than in 2010. And it projected increases in usage well into the future. All of this makes it clear that we'll need more spectrum for commercial use.

At the FCC, we're working hard to free up high-band, mid-band, and low-band airwaves to meet this growing demand.

Next week, for example, the Commission will vote to finalize the rules for the auction of airwaves in the 28 GHz band this November. We will auction the 24 GHz band immediately afterward.

These will be our first auctions of high-band spectrum for 5G services, but they won't be the last. Two weeks ago, I announced my plan to move forward with a single auction of three more millimeter-wave spectrum bands—the 37 GHz, 39 GHz, and 47 GHz bands—in the second half of 2019.

With respect to mid-band spectrum, we're looking at making more efficient use of a number of bands to expedite the deployment of advanced wireless services, including the 2.5 GHz band, the 3.5 GHz band, and the 3.7-4.2 GHz band.

And as for low-band spectrum, the transition following the 600 MHz broadcast television incentive auction is going well. We've granted wireless licenses to the vast majority of auction winners, and T-Mobile has already started offering service in the band in more than 900 cities and towns across 32 states.

Now, I would note that we didn't wait to make this spectrum available until we established 5G standards through a government-led process. We put our faith in the power of market forces to develop standards through a private-sector led process, as we did with 4G.

One last point on spectrum: we are committed to working together toward international radio spectrum allocation and harmonization for next-generation terrestrial mobile and satellite services. This will help ensure that emerging technologies are promptly introduced into the marketplace, to the benefit of all citizens in our region.

Thanks again for allowing me to participate in this session, and I look forward to learning from and collaborating with you to realize the promise of communications technologies for all our citizens.