

**REMARKS OF FCC CHAIRMAN AJIT PAI
AT INDIA MOBILE CONGRESS 2018**

“THE EVOLVING REGULATORY LANDSCAPE IN THE NEW DIGITAL ECOSYSTEM”

NEW DELHI, INDIA

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Thank you, and good afternoon. It’s an honor to be a part of such a distinguished panel of speakers. In particular, I’d like to thank the two representatives from our host nation, Secretary Sundararajan and Chairman Sharma.

Before I dive into the digital future, a quick detour through the analog past. It is a personal privilege to be at this conference. I was born and brought up in the United States, but my family’s roots are here in India. My mother grew up in Bangalore, and my father was raised in Hyderabad. In 1971, they came to America with little more than a radio, a few dollars, and a desire to work hard.

The day I became FCC Chairman, I gave a speech to the agency’s staff. I told them the story of my parents and late grandparents in India. One grandparent lost his father young and had to drop out of school to work; another ran a small spare auto parts store. I explained how the sacrifices they made and the lessons they taught me helped me to succeed and continue to inspire and guide me every day. If you want to know where I’m coming from, you should first know where my family came from. We may use the term NRI, but to me, the values of our culture are always present.

Personal reasons aside, this would be a special visit for any FCC Chairman. That’s because the United States and India have an important relationship.

As the world’s oldest democracy and its largest, our countries share common values and strategic interests. Accordingly, our governments and industries work closely to promote mutual growth and prosperity.

This cooperation extends to the realm of communications. It’s no accident that on my first international trip as Chairman to the 2017 Mobile World Congress in Barcelona, I met with Chairman Sharma. The Chairman and I have been friends since 2015, when I was a Commissioner. And after becoming Chairman, our two agencies have only increased our cooperation, regularly exchanging information and sharing ideas on topics of mutual interest, like increasing broadband deployment and advancing spectrum policy to meet increasing demand for mobile broadband. I’ve also had the pleasure to have previously met with Secretary Sundararajan and have been impressed with her vision and leadership. Throughout my time here in New Delhi, I look forward to strengthening friendships—and building new ones—with colleagues across both government and industry. Together, we can help deliver digital opportunity for all those we represent.

And the reach of online empowerment does indeed transcend national boundaries. A [study from researchers at New York University](#) that came out earlier this month makes this point. Called the “Rise of the Global Startup City,” the report shows that the U.S. leads the world in venture investment. Four of the world’s six so-called “superstar global startup” hubs are U.S. cities, with the Northern California’s Bay Area being the undisputed global leader. Venture capital investment in the U.S. was 160% higher in 2017 than 2010. And while it’s not in the report, I’m compelled to add that the U.S. saw more venture investment during the first half of 2018 than it did during most full years of the previous decade.

Similarly, the report’s topline finding is that “startup activity and venture capital have become increasingly global.” American innovation hubs are thriving, but we’ve seen the remarkable rise of new startup hotbeds, many of which are in India. From 2015 to 2017, only the U.S. and China attracted more

venture investment than India. Just looking at the number of deals by city, Delhi was 8th in the world and Bangalore was 10th. If you remove the U.S. cities, they are 2nd and 4th respectively, with London and Paris in the 1st and 3rd slots. That's pretty heady company. Looking at growth, the number of deals in Delhi was up 407% over the past three years compared to 2010-to-2012. Bangalore saw a 306% increase. For Mumbai, it was 288%. I'm looking forward to seeing some of this entrepreneurship for myself; over the next few days, I'll visit some Delhi startups, like a company that designs smart jewelry that helps keep women safe and one powering the Internet with light instead of radio waves.

What I love about the emerging global digital economy is that it isn't a zero-sum game. We can all enjoy the benefits of growth and jobs and quality-of-life improvements that come with new ideas. And that underscores the need for international engagement and the sharing of best practices.

In this spirit of collaboration, let me briefly walk through some of the high-level principles that guide our work at the FCC as we work to expand digital opportunity.

It starts with a posture of regulatory humility.

I believe history has shown us, without a doubt, that a competitive free market is the most powerful force we have for driving technological innovation and producing value for consumers. The public interest is best served when the private sector has the incentives and freedom to invest and create. Instead of burdening entrepreneurs with mandates and micromanagement, government should eliminate unnecessary barriers that can stifle new discoveries and services. And in particular, the government should aim to minimize regulatory uncertainty, which can deter long-term investment decisions.

That is why the FCC has removed many regulatory barriers to lower the cost and speed the process of building infrastructure. For example, we have adopted reforms to make it easier and cheaper for broadband providers to access utility poles. We've also modernized rules that required carriers to maintain yesterday's copper networks, enabling them to focus on building tomorrow's fiber networks.

I also believe that a key aspect of regulatory humility is skepticism toward preemptive regulation of new technologies—rules that try to guess about emerging technologies before they ripen and market failures before they exist. I believe that a careful, case-by-case approach to regulating dynamic markets is more likely to benefit consumers and secure technological progress.

To that end, we overturned the prior FCC's 2015 decision to heavily regulate the Internet like a slow-moving utility under rules developed in the 1930s. We've replaced it with a consistent, market-based national policy for broadband providers, one that protects the free and open Internet and encourages infrastructure investment.

Just last week, new data was released showing that our policies are working. After broadband providers reduced new investments in 2015 and 2016 under the prior Administration's regulatory approach, broadband investment in the United States increased in 2017 by \$1.5 billion over the previous year. And more companies are now looking to enter the marketplace, using ever more sophisticated technologies.

Our strategy on 5G, the next generation of wireless connectivity, is another good example of a market-based approach that will deliver benefits for consumers and the American economy. Spectrum is a key input for 5G services, so we're moving aggressively to make more airwaves available for the commercial marketplace in low-, mid-, and high-bands. In November, for example, we'll begin an auction in the 28 GHz spectrum band, followed immediately by an auction in the 24 GHz band. Then, in the second half of next year, we intend to auction off three more spectrum bands—37 GHz, 39 GHz, and 47 GHz. With these auctions, the FCC will release almost 5 gigahertz of 5G spectrum into the market. To put that in perspective, this is more spectrum than is currently held by all U.S. mobile broadband providers combined.

In addition, we just modified our rules earlier this week for mid-band spectrum in the 3.5 GHz band to create additional incentives for investment and innovation. And we started the process to allow unlicensed devices to use a large amount of spectrum in the 6 GHz band. Our 6 GHz initiative could enable faster Wi-Fi connections and also help mobile broadband companies by helping them offload traffic and ease congestion. One Wi-Fi advocate recently called it “[p]erhaps the most important Wi-Fi decision in a generation.” And speaking of spectrum, we’ve also been moving quickly to provide opportunities for next generation satellite networks to make use of spectrum. These networks hold the promise of facilitating significantly faster satellite broadband service with lower latency.

Another guiding principle, which I know is shared broadly, is the idea that everyone is better off when everyone, everywhere can get online and share in the benefits of the digital age. Prime Minister Modi’s Digital India initiative embraces the idea that our digital infrastructure is not just about communications. It’s also about the economy, jobs, competitiveness, education, healthcare, and more. There’s a near-universal belief now—one I share—that connecting as many people as possible is an imperative.

Digital India says Internet connectivity has the “power to empower.” To put it another way, I like to say that high-speed connectivity has enabled what I call the democratization of entrepreneurship. Today, with a powerful plan and a broadband connection, you can raise capital, start a business, immediately reach customers worldwide, and disrupt entire industries, no matter who you are or where you live.

That’s why I’ve said our top priority at the FCC is closing the digital divide. And that’s why we’re working to bring the benefits of the digital age to all Americans. The best way to make sure every American has better, faster, cheaper Internet access is to make it as appealing as possible for private companies to raise the capital and hire the crews to deploy networks to unserved and underserved areas.

But millions of Americans live in rural areas where there is no business case for the private sector alone to build broadband networks. The FCC has a role here. We manage subsidy programs to connect these rural communities, called the Universal Service Fund. And here too, we’re applying market principles to maximize the Fund’s impact. For instance, the FCC provides funding to private carriers to leverage additional investment. Recently, we concluded a fixed broadband auction that allocated approximately \$1.5 billion in funding using a unique reverse auction in order to be efficient and promote deployment.

When it comes to the principles that guide my work at the FCC, I’d like to close where I began my remarks—with my family. If you were to ask me what lessons I learned from my grandparents and my parents, two stick out: the importance of hard work and the vision to dream big. These values still apply. Digital technology has made the impossible possible. What is needed to fulfill its potential is to dream big and then work hard to realize that dream. So as we work together the next few days and beyond, let us see and do much together in pursuit of that vision. If we succeed, we can improve the human condition in the United States, in India, and around the world.