

**REMARKS OF FCC CHAIRMAN AJIT PAI
AT THE 7th CONGRESO LATINOAMERICANO DE TELECOMUNICACIONES**

DEVELOPMENT BANK OF LATIN AMERICA WORKSHOP ON UNIVERSAL SERVICE

CÓRDOBA, ARGENTINA

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Good morning. If it seems like I've got an extra spring in my step this morning, it's because I'm celebrating a birthday. The United States turns 243 today. And I don't care what anyone says—I don't think we look a day over 242.

While I regret missing out on the fireworks displays back home, I think that participating in a panel on universal service is a fitting way to celebrate our Independence Day.

The United States was founded on the proposition that all men are created equal. And based on this principle, we have committed ourselves to the goal of opportunity for all.

One of my favorite explanations of this goal came from President Theodore Roosevelt in 1910 to an audience in Osawatimie, Kansas, about 90 miles from where I grew up. He said: "In every wise struggle for human betterment, one of the main objects, and often the only object, has been to achieve in large measure equality of opportunity." With "equality of opportunity for all . . . every man will have a fair chance to make of himself all that in him lies; to reach the highest point to which his capacities . . . can carry him."

The idea that anybody who works hard and plays by the rules will have a fair shot to get ahead is often described in my country as the American Dream. But this international panel reminds us that this aspirational spirit is universal.

We are all here right now because we believe in equality of opportunity. And we recognize that we live in a time where opportunity depends on access to digital communications.

So let me talk for a moment about some of the things we are doing in the United States to promote universal access to what I like to call digital opportunity.

At the FCC, we believe the best way to make sure every American has better, faster, and cheaper Internet access is to set a market-based regulatory framework that promotes competition and increases network investment. We need 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.

That is why the FCC has removed many regulatory barriers in order to make it cheaper and faster to build infrastructure. To make it easier to install wireless infrastructure like small cells, we set a reasonable deadline for cities to rule on siting applications and reasonable limits on siting fees. We also eliminated red tape to make sure that infrastructure the size of a pizza box won't face the same regulatory review as a 60-meter tower. We also set up a panel of outside experts from industry, state and local government, and the non-profit community to provide us with recommendations. We call it our Broadband Deployment Advisory Committee. Among other things, it laid the foundation for the FCC to enact a groundbreaking reform which made it much easier for competitive broadband providers to attach fiber to utility poles.

We've also modernized rules to make it easier for carriers to transition from maintaining yesterday's copper networks to building tomorrow's fiber networks. And we scrapped utility-style broadband regulation inspired by rules from the 1930s.

There is plenty of evidence that our policies are working. In 2018, fiber was deployed to more new homes in the United States than any year ever. Small-cell deployment more than quadrupled. Average fixed broadband speeds are up 40% year over year. And investment in broadband networks was up about \$3 billion in 2018, the second consecutive annual increase.

This is where we are today. Looking to the future, we also want to promote competition and innovation that could transform the marketplace. For instance, the FCC has approved applications from companies, like SpaceX and OneWeb, that want to send thousands of satellites into low-Earth orbit to provide high-speed Internet access. These new networks hold the potential for much faster and more reliable satellite Internet services and could help us reach our hardest-to-serve areas.

Right now, the FCC's primary tool for connecting these hardest-to-serve areas has been our universal service programs. And under my leadership, we've advanced a number of groundbreaking reforms to improve the effectiveness and efficiency of these programs.

For example, last year, we allocated about \$1.5 billion to connect over 713,000 unserved homes and businesses nationwide using a reverse auction.

Before the auction, we identified parts of our country that were unserved by broadband. This was so that we could target funding to areas that had no access, instead of displacing private investment in areas that were already online. We also made sure the auction was open to providers of all types, including rural telecom, cable, fixed wireless, and satellite companies, as well as electric utilities. This ensured that there would be plenty of competition.

The outcome of the auction was a tremendous success. We distributed funding much more efficiently: thanks in part to intermodal, competitive bidding, we saved \$3.5 billion from the \$5 billion price we initially thought would be required to connect these unserved areas. And consumers are getting high-quality broadband—99.7% of the winning bids are to provide consumers with service of at least 25/3 Mbps.

During a recent visit to the East Central Electric Cooperative in rural Oklahoma, I saw a glimpse of the exciting future ahead for many consumers as a result of our reverse auction. Thanks in part to FCC funding, this electric cooperative will build gigabit-speed connections to thousands of rural Oklahoma locations, including to many residents of the Indian Tribe known as the Creek Nation.

Later this year, we will start the process of setting up a \$20.4 billion broadband expansion program called the Rural Digital Opportunity Fund. Applying lessons learned from the recent reverse auction, this program will spur the deployment of high-speed broadband networks across more of rural America over the next decade, bringing greater economic opportunities to America's heartland. Service providers that win funding in the reverse auction will build infrastructure and provide up to gigabit-speed broadband in the parts of the country most in need of connectivity. I'm excited about this program—it will be the FCC's single biggest step yet to close the digital divide and will connect up to four million rural homes and small businesses.

We've been doing other things at the FCC to promote universal service as well. For example, we've increased subsidies for small, rural carriers, while giving them more aggressive buildout requirements. We've increased the budget for our rural healthcare program and are designing a connected care pilot program to realize the potential of telehealth solutions outside the hospital. I'd be happy to discuss these in more detail later.

But for now, I'd like to close with the words of President Roosevelt. He spoke eloquently about a second "great result" that comes from a fair shot for all. "Equality of opportunity means that the commonwealth will get from every citizen the highest service of which he is capable." We work to promote universal service not only because it is the right thing to do in principle, but also because, in practice, when we empower people, they make their communities stronger, helping us all rise.

I look forward to a lively discussion, to learning from you, and to working together to expand digital opportunity to more people across the region.