

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Rural Digital Opportunity Fund, WC Docket No. 19-126; Connect America Fund, WC Docket No. 10-90.*

This past April, I first announced my vision for the Rural Digital Opportunity Fund in the White House's Roosevelt Room, alongside the President of the United States. It was a fitting setting for announcing the FCC's single biggest step yet to close the digital divide, our top priority. Today, I'm pleased that the Commission is taking the first step toward executing that vision and bringing the Rural Digital Opportunity Fund—and broadband connectivity for millions of unserved Americans—to fruition.

This past May, I saw a glimpse of the exciting future ahead for consumers in the areas that will be connected through this new Fund. I visited the town of Okmulgee, Oklahoma, which is almost two hours east of Oklahoma City and is home to the East Central Electric Cooperative. Thanks in part to support awarded through the FCC's recent Connect America Fund Phase II reverse auction (CAF II), this electric cooperative will build gigabit-speed connections to thousands of locations in rural Oklahoma, including many occupied by Tribal residents of the Creek Nation.

We want similar results on an even greater scale from the Rural Digital Opportunity Fund.

To get there, we'll apply lessons learned from CAF II. First and foremost, we're going to conduct a reverse auction. Simply put, the CAF II reverse auction produced higher-speed broadband and lower costs. That's a killer combination that we want to replicate. And with the proposals that we advance today, we believe that the Rural Digital Opportunity Fund will spur the deployment of up to gigabit-speed broadband networks for millions of rural Americans over the next decade.

The new Fund's reverse auction will have two phases. Phase I will allocate support to wholly unserved census blocks—that is, those areas where our existing data tell us there is no service at all—in order to make sure that the areas most in need will get broadband service as quickly as is feasible. Then, Phase II will fill in the remaining coverage gaps by supporting networks that will serve partially unserved census blocks, along with areas not won in Phase I. Phase II will leverage the new granular, precise broadband mapping approach that the FCC will adopt today.

And while some have suggested that we should not move forward on Phase I until the data needed for Phase II has been collected, I strongly oppose this idea. Indeed, it makes about as much sense as deciding not to provide medicine to anyone suffering from an illness outbreak until everyone who is sick from that outbreak has been identified. There is simply no reason to delay action to provide broadband to Americans we *know* don't have access to it.

Today's *Notice* proposes other consumer-friendly steps. For instance, we're eliminating support for 10/1 Mbps service in the auction. The FCC has defined broadband as 25/3 Mbps for some time now, and in any case, the CAF II experience suggests that providing support for 10/1 Mbps service isn't necessary; over 99% of locations won in that auction will get 25/3 Mbps service or greater. And we're exploring ways to make eligible for auction support additional areas that haven't previously qualified but are still on the wrong side of the digital divide.

In short, we're proposing to connect more Americans to faster broadband networks than any other universal service program has done. I'm excited about what this initiative will mean for rural Americans who need broadband to start a business, educate a child, grow crops, raise livestock, get access to telehealth, and do all the other things that the online world allows. And I look forward to kicking off this new auction next year.

Thank you to the dedicated staff who worked on this item: Allison Baker, Talmage Cox, Ian Forbes, Lauren Garry, Jesse Jachman, Katie King, Heidi Lankau, Sue McNeil, Alex Minard, Kris Monteith, Ryan Palmer, Steve Rosenberg from the Wireline Competition Bureau; Kirk Burgee, Nathan Eagan, and Chelsea Fallon from the Rural Broadband Auctions Task Force; Craig Bomberger, Rita

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