

**REMARKS OF FCC CHAIRMAN AJIT PAI  
TO THE VIRTUAL MEETING OF THE KENTUCKY TELECOM ASSOCIATION AND THE  
TENNESSEE BROADBAND ASSOCIATION**

**OCTOBER 14, 2020**

Hey, everybody! It's great to be with you.

Somebody suggested I open with a joke about how Tennessee and Kentucky are playing each other in football this weekend. But then I thought, "Kentucky plays football?" (As a George Blanda fan, I can assure you I'm kidding. I mean, one of the most distinguished Wildcat football players ever retired from professional football when he was one year older than I am now, at 48! There's still hope for me yet at Arrowhead Stadium.)

As a Kansas native, I actually wanted to congratulate all the Kentucky folks out there on having America's *second*-best *basketball* school. Fun tip: if you hold your school in front of a mirror, you can pretend UK is KU. And, no, I'm not still bitter that the last time the Jayhawks made the NCAA finals they lost to Anthony Davis and the Wildcats. I'm bitter that March Madness got cancelled in a year when Kansas was ranked #1.

I actually saw a pre-season poll for the upcoming season that had Kansas, Kentucky, *and* Tennessee in the top 10. Plus, the Vols have been to a Sweet 16 more recently than Kansas, so my apologies to the Tennessee fans for excluding them from my basketball trash talk.

If this seems like a long digression, these are the lengths that Kansas Jayhawks fans will go to change the subject away from college football.

Kentucky and Tennessee aren't just good at basketball; they do broadband well, too. KTA and TNBA members are doing pioneering work to bring digital opportunity to rural communities. One KTA member, the People's Rural Telephone Cooperative Corporation, was profiled in *The New Yorker* last year for its work to deploy fiber to Jackson and Owsley Counties in eastern Kentucky. These were some of the poorest counties in the United States, and now they've got residents teleworking for companies like Apple and Hilton.

I've been fortunate to see some of the creative problem-solving in Kentucky and Tennessee myself. Back in 2018, I visited Scottsville, Kentucky, a town of about 4,000 people in Allen County. Allen County has a hospital, but no pediatrician. The nearest one is 28 miles away in Bowling Green. For too long, teachers and parents in Scottsville didn't have any good options for treating a child who becomes sick in school.

But now, that's changed. Thanks to a high-speed connection between Allen County and Vanderbilt University's Children's Hospital, students in Scottsville can see a top-notch pediatrician with a short walk to the school nurse's office. Kids are healthier, parents don't have to take extra time off work, teachers can focus on teaching, doctors can extend their expertise—and the Scottsville community becomes stronger.

That is the power of broadband connectivity. It conquers distances and can extend digital opportunity to every American. I've personally seen example after example of this all across the country. On my first day as FCC Chairman in January 2017, I said that my number one priority was closing the digital divide and bringing the benefits of the Internet age to all Americans. To inform and impel the FCC's work to connect unserved areas, I've made it a point to hit the road as much as possible. I'm talking about driving more than 15,000 miles in rental cars on trips to 49 states, not to mention two U.S. territories. I've learned firsthand about rural communities that are using the Internet to open new doors of opportunity, and also about towns bypassed by the digital revolution.

Traveling the country to shine a light on America's digital divide became impossible for me beginning in March, with the arrival of COVID-19. But even if the pandemic put a stop to my travels, it more importantly also ended any debate about the need to expand Internet access to all Americans.

If you don't have broadband, you can't work from home. Your children can't attend online classes. You can't see a health care provider remotely. You can't FaceTime with your parents who are staying at home. I could go on, but I'm sure that you get the point.

At the onset of the pandemic, the Commission decided that our top priority was to make sure that as many Americans as possible would have Internet access and that that no American would lose service because of the disruptions caused by the COVID-19 pandemic.

To meet that priority, among other things, in mid-March we called on broadband and telephone service providers to sign onto what we called our Keep Americans Connected Pledge. The pledge had three core commitments: no consumer would lose service over the next 60 days due to an inability to pay a bill because of the disruptions associated with the pandemic; no one would be charged late fees because of the pandemic; and Wi-Fi hotspots would be opened up to anyone who needed them.

I know there are a lot of broadband providers in the audience today, and I want to say thank you for answering our call. Within days, hundreds of providers, serving the vast majority of American broadband and telephone consumers, had taken the Pledge. That number would eventually grow to nearly 800, and it was extended to the end of June. Many of you went above and beyond what was in the Pledge. For example, providing free service to low-income students and upgrading speeds for free. Again, thanks to everyone out there who has stepped up to make sure that Americans stay connected during one of the most challenging crises in our nation's history.

COVID-19 has raised awareness about the importance of closing the digital divide. And the Keep Americans Connected Pledge proved to be an effective solution to the immediate connectivity challenges highlighted by the pandemic. But our nation had connectivity gaps before the pandemic that will still be a challenge in the years ahead.

That's why the FCC has pursued and will continue to pursue an aggressive strategy to connect all Americans.

In the United States, we primarily rely on roughly about \$80 billion a year in private investment to upgrade and expand our wired and wireless networks. That is why bridging the digital divide requires reducing the cost of broadband buildout, which in turn requires reducing the regulatory burden on buildout.

Across the board, the FCC has been working hard to modernize its regulations and clear unnecessary roadblocks to network investment. The details of this work can sound deathly boring—easing access to utility poles; making it easier for companies to transition from copper lines to fiber networks; abolishing rules developed in the 1930s to heavily regulate the Internet like a slow-moving utility. But the results certainly are not.

Millions more Americans have access to the Internet today than in 2016. In 2018 and then again in 2019, the United States set records for annual fiber deployment. The number of new cell sites in the United States has skyrocketed. Average download speeds for fixed broadband have doubled since the end of 2017. The number of Americans enjoying more than two options for standard fixed terrestrial broadband service has increased by 52%. And a [new study](#) came out this month showing that, compared to 2015, today's average consumer is paying 28% less for broadband in real terms while enjoying faster speeds.

Of course, there are some areas where the business case for broadband deployment just won't exist—no matter how much red tape we cut. These are typically rural areas with sparser populations and lower incomes. Building and maintaining networks in these areas isn't cheap and it isn't easy. So, the

FCC is doing our best to be an effective partner to make sure that rural customers can get the same modern broadband services as their urban counterparts and get them at affordable rates.

The FCC manages programs to connect these rural communities through the Universal Service Fund.

Universal service support helps facilitate essential broadband network improvements while keeping rates in line with what customers in urban areas pay for service. Under my leadership, we've overhauled our universal service program for small, rural providers known as rate-of-return carriers. Using our Alternative Connect America Cost Model, or A-CAM, which rewards efficiency and provides more value for each taxpayer dollar, we provided additional annual funding to connect 469,000 rural homes and businesses to broadband. We also adopted reforms for carriers that declined model-based support and stuck with legacy, cost-based support, which provided increased funding and greater stability and predictability in exchange for specific broadband buildout obligations.

Our newest—and biggest—initiative to close the digital divide in our hardest-to-serve communities is our upcoming Rural Digital Opportunity Fund auction.

This Fund will provide up to \$20.4 billion to support the deployment of high-speed broadband networks in those parts of rural America that currently lack fixed broadband service that meets the Commission's baseline speed standards.

When it comes to the new Fund, we not only wanted to think big, we wanted to move fast. The ongoing pandemic reinforced our sense of urgency about the need to bring broadband to the unserved. So late this month, we'll kick off bidding in the first phase of the auction, targeting up to \$16 billion over 10 years to deploy broadband networks in areas we know are wholly unserved, where as many as 10.25 million Americans live and work. We'll award this funding through a reverse auction.

And that reverse auction will feature some important improvements on the approach we took in 2018's successful Connect America Phase II auction. First, we're more than doubling the minimum speed that bidders must deploy to 25/3 Mbps. Second, to ensure that networks meet consumers' needs now and into the future, we'll give greater weight to bids from providers offering faster speeds and lower latency, up to gigabit speeds. And third, once the total amount of all bids remaining in the auction falls below the available budget, we will award support to the bid for the best-performing network in each area. Just this week we announced that 386 applicants are qualified to bid in the Phase I auction, a more than 75% increase from the Connect America Phase II auction. Such broad participation will ensure a competitive auction that delivers real benefits for rural Americans.

The Commission is also going big to promote the deployment of next-generation wireless networks in rural America. Later this month, the FCC will vote on a proposal to establish a 5G Fund for Rural America. The new program would use multi-round reverse auctions to distribute up to \$9 billion, in two phases, to bring voice and 5G broadband service to rural areas of our country that would be unlikely to see the deployment of 5G-capable networks without subsidies. To identify with greater precision those areas of the country where support is most needed and will be spent most efficiently, we'll determine which areas are eligible for 5G Fund support based on improved mobile broadband coverage data that will be gathered through the Commission's new Digital Opportunity Data Collection. I hope those of you who provide wireless broadband will give our 5G Fund a close look.

Let me close by thanking the Internet service providers out there once again for all that you do to connect the American people. You open doors to the opportunities of the digital age, and for that I am grateful. Thanks again for having me. I look forward to the day when I can get back to Kentucky and Tennessee to meet with you in person, and here's hoping that there's a Final Four next March, and all our teams make it.