

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *Connect America Fund, WC Docket No. 10-90, ETC Annual Reports and Certifications, WC Docket No. 14-58.*

Fulfilling our statutory mission to deliver on the promise of universal service in rural America challenges us to think anew, and act anew.

An estimated 15 million Americans don't have access to entry-level broadband in their homes. And far too many anchor institutions like schools, libraries, and hospitals lack sufficient bandwidth to serve the populations that rely on them.

Just last week, I visited the Pueblo of Acoma in central New Mexico, my second visit to Indian Country this year.

The visit illustrated the promise of broadband connectivity to overcome geographic isolation and put a world of information and economic opportunity at the fingertips of citizens in even the most remote communities.

It also demonstrated very clearly that we still have a digital divide in this country, with rural communities, and especially Native Americans disproportionately on the wrong side of that divide, getting bypassed by the Internet revolution.

Acoma is located in Cibola County, where nearly half of residents don't even have access to 3 Mbps broadband. Barely 10 percent have access to 10 Mbps broadband. We must do better.

That's why the Commission's ongoing work to re-orient the universal service fund to support networks capable of robust broadband is so important. The Connect America Fund has already worked to bring broadband to millions of Americans who didn't have it, but there's more to do.

The Commission took an important step forward this January, when we authorized in our Technology Transitions Order experiments to advance the deployment of voice and broadband-capable networks in rural areas with support from the Connect America Fund.

Today's Order builds on what we authorized in January by establishing a budget for the rural broadband experiments, criteria for what we expect from applicants, and an objective, clear-cut methodology for selecting winning applications. These experiments will allow us to explore how to structure the CAF Phase II competitive bidding process in price-cap areas and to gather valuable information about deploying next generation networks in high-cost areas.

Importantly, this is first time the Commission will attempt to use the tool of competition to bring broadband to rural America. Competition holds the promise of better services for rural America at lower costs. In fact, we are setting a much higher standard for what qualifies as broadband in this experiment than the Commission has previously used for CAF – 25/5 Mbps for most of the experiment – and we expect applicants will bid for less support than we have budgeted for those areas. Better service at lower cost is the result of broadband competition in other areas of the country, and it's time to bring that same dynamic to bear for the benefit of rural America.

We expect to move forward with CAF Phase II with all dispatch, and the lessons learned in these experiments will help us achieve our goal of delivering world-class voice and broadband networks to rural America.