

**STATEMENT OF
CHAIRMAN AJIT PAI**

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

Six years ago, the Commission promised to launch the Connect America Fund to support deployment of broadband in rural America. Our target for launching the competitive bidding phase was 2012, with funding to wind down in 2017.¹ Needless to say, the Commission fell behind schedule. And that's unfortunate because there is a real and growing digital divide in this country. Although high-speed Internet access is common in metropolitan areas, the rural-urban split is stark: 39% of rural Americans lack adequate access.

It's time to close the digital divide. That's why the first vote of my chairmanship was to partner with the State of New York to accelerate the deployment of broadband to people upstate who've waited far too long for it. That's why my first two meetings involved conversations with consumer advocates and small providers on ways to promote digital empowerment. And that's why we are moving forward today with our own competitive bidding process to bring the highest-quality broadband services at the lowest cost to the taxpayer to those many Americans who've been waiting.

The Connect America Fund Phase II (CAF-II) auction will offer almost \$2 billion to bidders to connect the unserved over the next decade. CAF-II incorporates rules that my colleagues, Commissioners Clyburn and O'Rielly, and I hammered out last year to induce new entrants to participate—competitive entrants like wireless Internet service providers, small-town cable operators, and electric utilities. And today, we adopt auction weights designed to give every bidder—no matter what technology they use—a meaningful opportunity to compete for federal funds, while ensuring the best value for the American taxpayer. We also take steps to ensure that the citizens of every state that was promised new, better, faster broadband service by the FCC back in 2015 will see that funding come through to their state, either in this auction—which I hope takes place as soon as possible—or in the Remote Areas Fund that will follow on its heels.

I would like to thank the superb staff of the Wireline Competition Bureau and Office of Strategic Planning & Policy Analysis who worked so diligently to prepare this order in record time: Talmage Cox, Katie King, Evan Kwerel, Paul Lafontaine, Heidi Lankau, Wayne Leighton, Carol Matthey, Alex Minard, Kris Monteith, and Ryan Palmer. This is a major milestone in our efforts to shrink the digital divide, and it wouldn't have been reached without you.

¹ *Connect America Fund et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 0951, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17674, para. 25 (2011).