

**STATEMENT OF  
CHAIRMAN AJIT PAI**

Re: *Establishing a 5G Fund for Rural America*, GN Docket No. 20-32.

This Commission has taken decisive action to cement United States leadership in 5G. We have freed up unprecedented amounts of low-, mid-, and high-band spectrum for commercial use. We've made it easier and less costly to deploy wireless infrastructure and have encouraged the virtualized infrastructure of the future. We've reformed our rules to promote the deployment of fiber, which serves as backhaul for 5G networks. We've taken critical steps to secure the 5G supply chain.

By any metric, our efforts are paying off. 5G networks already cover more than 200 million Americans, and that number is increasing every day. Devices leveraging the power of 5G are in the hands of consumers, as the recent Apple iPhone 12 illustrates. And other countries are following our lead on spectrum policy and supply chain integrity alike.

But as we enter the 5G era, we need to make sure that rural Americans aren't left behind. 5G can't be a technology that only benefits those in urban and suburban areas; that would only broaden rather than narrow the digital divide. Fortunately, we've already taken steps to make sure that doesn't happen. One of them is the enforceable commitment we secured from T-Mobile during the T-Mobile/Sprint merger proceeding to cover at least 90% of rural Americans with its 5G network within six years. But now, we need to build on that momentum and make sure we bring the benefits of 5G to *all* Americans, no matter where they live. And that means that we need to recognize that there are some sparsely populated areas of our country where the business case for building out 5G networks solely with private capital just doesn't—and won't—exist.

That's why I first proposed last December that we establish a 5G Fund for Rural America. Instead of looking backwards and connecting rural communities with 4G LTE, we should look to the future and ensure that rural Americans have 5G on an equal footing with their urban counterparts. These networks will bring rural Americans the benefits—like increased access to healthcare, education, and precision agriculture—promised by the improved speed, latency, and security of 5G.

So today, less than a year after I proposed it, we're establishing the 5G Fund for Rural America. This will be a two-phased reverse auction that will distribute up to \$9 billion to support deployment of 5G networks in rural America. Phase I will use up to \$8 billion to target nationwide support for rural areas lacking unsubsidized 4G LTE and 5G broadband service, including \$680 million specifically set aside to support deployment on Tribal lands. Phase II will provide at least an additional \$1 billion in support to focus on the deployment of innovative 5G networks that facilitate precision agriculture.

One important point: Today, we adopt what we called "Option B" in our Notice of Proposed Rulemaking. This means that we will hold the Phase I auction after we develop precise, granular broadband maps through our Digital Opportunity Data Collection proceeding and that we will use those maps to help determine eligibility for the Phase I auction. To be sure, Option B doesn't provide the fastest possible path to the Phase I auction. But this measured approach enjoyed broad support in the record and will ensure that we are targeting funding to those areas that need the support the most, allowing us to make the best use of every dollar in the 5G Fund.

Even though we won't immediately conduct the 5G Fund Phase I auction, it's important that we establish these rules today. First, they provide certainty for stakeholders and provide a clear path to the

5G Fund Phase I auction. Second, we adopt broadband public interest obligations that will require carriers currently receiving frozen legacy support to begin spending that support to deploy 5G-capable networks in their service areas beginning next year. This means that we will make better use of universal service funding even before the Phase I auction takes place and will expedite 5G deployment in rural areas. Third, the step we are taking today allows our expert staff to complete their work developing an adjustment factor that will be critical to ensuring that hard-to-serve areas with rougher terrain and more challenging economics will be able to compete fairly for support in the auction. And fourth, we can finally close the door on the 4G-focused Mobility Fund Phase II and commit to fully closing the mobile digital divide through the 5G Fund.

I would like to thank the many staff that contributed to this item, including: Valerie Barrish, Emily Burke, Jonathan Campbell, Nick Copeland, Patrick DeGraba, Chelsea Fallon, Bill Huber, Paul Lafontaine, Catherine Mataves, Giulia McHenry, Gary Michaels, Murtaza Nasafi, Kelly Quinn, Steve Rosenberg, Martha Stancill, Sean Sullivan, Patrick Sun, and Margaret Wiener in the Office of Economics and Analytics; Kirk Burgee, Audra Hale-Maddox, Michael Janson, and Jonathan McCormack from the Rural Broadband Auctions Task Force; Martin Doczkat, Robert Pavlak, and Barbara Pavon in the Office of Engineering and Technology; Trent Harkrader, Jesse Jachman, Alexander Minard, and Kris Monteith in the Wireline Competition Bureau; Susan Mort, Ziad Sleem, and Thuy Tran in the Wireless Telecommunications Bureau; Matthew Duchesne, Barbara Esbin, and Sayuri Rajapakse in the Consumer and Governmental Affairs Bureau; and Keith McCrickard and Bill Richardson in the Office of General Counsel.