STATEMENT OF
CHAIRMAN AJIT PAI

Re: *Establishing a 5G Fund for Rural America*, GN Docket No. 20-32, WT Docket No. 10-208.

Last September, I hit something of a personal and professional milestone: After nearly three years of crisscrossing the country, I made an official visit as FCC Chairman to every state in the lower 48. It's important to me to get out on the road and see the digital divide—and the people living on the wrong side of it—firsthand. I want to hear their stories and see how broadband connectivity, and its absence, impacts their daily lives. And on road trips through places like the Great Plains, the mountainous terrain of Capon Springs, West Virginia, the Chickasaw Nation in Ada, Oklahoma, or the Mississippi Delta, you can experience one aspect of the digital divide for yourself. You notice pretty quickly how dependent you have become on a mobile broadband connection. The signal on your smartphone begins fading, and sometimes disappears altogether. That mobile connection is a powerful tool that can allow Americans to stay connected to their families, jobs, doctors, and teachers wherever they go.

The good news is that the digital divide is closing. For example, in 2018, according to data from Ookla, the number of Americans without access to 10/1 Mbps mobile broadband fell by 54%. But there is still more work to be done. For example, as the rollout of 5G, the next generation of wireless connectivity takes place in the United States, we must make sure that rural Americans are not left behind. Right now, more than 200 million Americans, mostly living in the country's urban and suburban areas, have access to 5G mobile broadband, which promises to deliver faster speeds, lower latency, and better security than 4G LTE networks. And this Commission has taken decisive action to promote 5G deployment in rural America. For example, we conditioned our approval of the T-Mobile/Sprint merger on the company's commitment to deploy 5G to 85% of rural Americans within three years and 90% of rural Americans within six years. That's a big deal. But we also know that without government action, Americans who live in the most remote and sparsely populated rural areas of the United States are likely to be left behind as spectators of this next wireless revolution. That's not acceptable to me, and it shouldn't be acceptable to you, either.

That's why I announced my plan for a $9 billion 5G Fund for Rural America last December, and that's why I'm pleased that the Commission is adopting this Notice of Proposed Rulemaking. Delivering digital equity for rural consumers at the outset is far better than trying to bridge a digital divide later.

Today, we are starting the formal conversation about the best way to use universal service funds to bring 5G to rural America. Now, I realize that some have questioned whether this is a wise use of the Universal Service Fund at all. Why, they ask, should we spend money to deploy 5G to rural America when some parts of our country still lack 3G or 4G? I'll admit—this argument might have appeal as a soundbite. But it doesn't make any sense. We're at the dawn of the 5G era. We shouldn't spend our universal service funds to deliver networks using predecessor technologies because they'll be outdated by the time they're operational. Indeed, embarking now on a ten-year funding program to support the deployment of 4G would be like beginning a multi-year program to provide Americans with analog televisions during the digital television transition, distributing DVDs in the midst of the video streaming surge, handing out flip phones at the start of the smartphone era, signing everyone up for MySpace just as Facebook is taking off, or gifting a Thermos when a massive Reese's mug is within one's grasp. We're not going to condemn rural wireless consumers to a continual game of catch-up with their urban counterparts. They deserve parity, and they deserve it now, not decades from now.

Turning to the specifics, this Notice of Proposed Rulemaking tees up two different approaches for comment. One option we are considering would aggressively target those rural areas that are least likely to see 5G coverage without universal service support by using current data to identify particularly rural areas and prioritize those that have historically lacked 4G LTE or even 3G service. The other option would delay any 5G support until the new granular, precise broadband coverage maps the Commission is developing in its Digital Opportunity Data Collection proceeding are complete.

There are advantages and disadvantages to each approach. It's often said that governing is about making choices, and that's the case here. We will have to decide whether enhanced precision justifies a significant delay, as much as two additional years, and I look forward to having that conversation with my fellow Commissioners and other stakeholders. What we can't do is pretend that we live in some alternative universe where there is no tradeoff between precision and speed—that we can fiat both perfect knowledge and immediate distribution of funds. We can't have our cake and eat it too.

Today's Notice of Proposed Rulemaking also seeks comment on several other important issues. *First*, it proposes to rely on the highly successful reverse-auction format that the Commission will use to distribute $16 billion in the Rural Digital Opportunity Fund Phase I auction later this year. By letting service providers compete for universal service support, we can deliver taxpayers the most bang for their buck. *Second*, we propose to incorporate T-Mobile's enforceable commitments to the Commission to serve 90% of rural Americans within six years by allowing T-Mobile to identify the areas it will deploy and thus focus our limited universal service funds on areas that are unlikely to see coverage without support. And *third*, we propose to split the auction into two phases: in Phase I, we propose to make available up to $8 billion for all areas determined eligible for the auction, while Phase II would make available at least $1 billion to target networks that would facilitate continued adoption of precision agriculture technologies used by American farmers and ranchers. There are many other important issues in the item, too numerous to mention, and I look forward to seeing how this proceeding develops.

I would like to thank the many staff across the agency that contributed to this item, including Kirk Burgee, Nathan Eagan, Michael Janson, and Jonathan McCormack from the Rural Broadband Auctions Task Force; Valerie Barrish, Emily Burke, Jonathan Campbell, Nick Copeland, Patrick DeGraba, Chelsea Fallon, Audra Hale-Maddox, Bill Huber, Pramesh Jobanputra, Paul Lafontaine, Kenneth Lynch, Catherine Matraves, Giulia McHenry, Murtaza Nasafi, Jeffrey Prince, Kelly Quinn, Steve Rosenberg, Alexander Simmons, Martha Stancill, Sean Sullivan, Patrick Sun, and Margaret Wiener from the Office of Economics and Analytics; Robert Pavlak and Barbara Pavon from the Office of Engineering and Technology; Jennifer Salhus, Ziad Sleem, Sean Spivey, and Thuy Tran from the Wireless Telecommunications Bureau; Trent Harkrader, Alexander Minard, and Kris Monteith from the Wireline Competition Bureau; Matthew Duchesne, Barbara Esbin, and Sayuri Rajapakse from the Office of Native Affairs and Policy; and David Horowitz, Keith McCrickard, and Bill Richardson from the Office of General Counsel.