

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *Rural Digital Opportunity Fund*, WC Docket No. 19-126; *Connect America Fund*, WC Docket No. 10-90.

For about a dozen years, Misti Hostutler worked for an IT company based in White River, South Dakota. It's a town of about 600 people surrounded by miles of farms and ranches. Back then, growing her high-tech business meant hitting the road. So every week, Misti put another thousand miles on her car—crisscrossing the Great Plains as she visited client sites. Misti says she spent so many hours behind the wheel that she taught herself Spanish while on the road.

After she married her husband, Brian, they decided to move back to his family's 7,000-acre farm outside of Midland, South Dakota—a town of only about a hundred people. Misti wanted to stay home and raise their young kids. She also wanted to maintain her high-tech career, which helped support the family. Working from home with a high-speed Internet connection would let her do all of that. And that was the problem. They only had dial-up. Misti gave it a shot. It didn't work. She would try to connect remotely to a client's site only to lose the connection and the customer. And she found it nearly impossible to upload and download the files she needed.

That all changed in 2017. Down miles of dirt road leading to their farm, an Internet provider built a high-speed fiber line with support from the FCC's Universal Service Fund. Misti says the change "was night and day." She now can connect remotely from her farm to a customer's network and quickly troubleshoot their equipment.

The high-speed connection also provides a big boost to their farming operation. Brian and Misti now use a range of Smart Ag technologies on their combines and sprayers—Internet-powered tools that are increasing their yields and saving money. Driving through one of his fields, Brian pointed out that his tractor now connects to a tablet and cloud-based software that lets him make precise, inch-by-inch adjustments. Misti says that the new, high-speed connection is "helping our farm in leaps and bounds." She says "the technology on our farmland is as critical to his business as it is to mine."¹

Misti and Brian show what hard work and an Internet connection can mean for rural communities. They provide a helpful reminder of why we at the FCC are so focused on closing the digital divide. We want every community in this country to have the opportunity that fast Internet connections can bring.

We have made significant progress in achieving that goal. The digital divide narrowed by nearly 20 percent in the prior year alone. Internet providers built out more miles of high-speed fiber in 2019 than ever before—enough, in fact, to wrap around the Earth 18 times. And all of that is on top of the mobile, fixed wireless, and satellite builds that are creating the world's best 5G and next-gen platforms here in the U.S.

Today's vote represents our most significant step yet towards connecting the hardest-to-serve parts of the country. It will allow providers to bring millions of Americans across the digital divide.

I want to highlight three features of our decision today. First, we support the type of high-speed networks that are key to building 5G in communities across the country. So our decision marks another significant step forward for U.S. leadership in wireless.

Second, when we launched this proceeding last summer, I proposed that we prioritize truly unserved communities over those that might already have fast Internet connections. Instead of treating every community with less than 25 Mbps the same, I suggested that we first focus on communities that have dial-up or nothing. I am pleased that we moved forward with that idea. The Order prioritizes and

¹ <https://twitter.com/BrendanCarrFCC/status/1169412887053590528>

provides maximum incentives for providers to serve areas that have no high-speed service today.

Third, I want to thank my colleagues for working with me on ways to improve on the item that circulated a few weeks ago. In particular, we made important changes to our letter of credit requirement. The original draft could have required winning bidders to spend over \$600 million more than necessary on fees to financial institutions. And it could have prevented providers from participating in the program altogether, which would only decrease our chances of getting more broadband built out. So rather than tying up scarce dollars in financial institutions, we now free up more capital to go directly into the ground building out Internet infrastructure. In doing so, we also put new milestones in place that incentivize providers to build out on an accelerated basis.

Finally, I want to thank the Chairman for laying out and following through on this long-term commitment to close the digital divide. And as always, I thank the staff of the Wireline Competition Bureau, the Office of Economics and Analytics, and the Rural Broadband Auctions Task Force for their hard work on this item. It has my support.