

**REMARKS BY FCC CHAIRMAN AJIT PAI
AT THE RONALD REAGAN PRESIDENTIAL LIBRARY**

“MORNING IN DIGITAL AMERICA”

SIMI VALLEY, CA

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For me, it's an honor to be here. But I feel somewhat sorry for you. After all, as President Reagan might have said at this very moment, “the most terrifying words in the English language are ‘I’m from the FCC, and I’m here to entertain you.’”

That said, I do have some good news to deliver. You might not know this, but the Reagan Library is actually an FCC licensee. The Library holds a license for two-way radios used to coordinate janitorial personnel, among other things. So the real reason that I came here was to conduct an undercover investigation to see if the 40th President’s facility is putting the license to good use. And after touring this beautiful place, I’m pleased to report that the Library passed the FCC inspection.

Seriously, though, I was thrilled when I received the invitation to join you tonight. Ronald Reagan was inaugurated as President the same month that I turned eight years old. He led the United States during my formative years. And I can’t imagine a better time and place to have come of age than in Reagan’s America. It was a time of hope and optimism.

Movies like *Top Gun* and *Rocky IV* topped the box office. They may not have been high art, but they sure were entertaining and made you proud to be an American.

Down the road in Los Angeles, we hosted a spectacularly successful Summer Olympics. The 1984 U.S. team was led by icons like Carl Lewis, Edwin Moses, Mary Lou Retton, and Michael Jordan. They may not have won every gold medal, but it sure did feel like it.

In those days, it did indeed seem like morning in America; as President Reagan put it in his 1984 re-election campaign, “our country [was] prouder and stronger and better.”

That’s certainly how I remember it. I was raised in the small town of Parsons, Kansas. Parsons was Middle America, literally and figuratively. The closest big city—or at least what we thought of as a big city—was Joplin, Missouri. In the 1980s, my hometown, and others like it, felt like places of hopes and dreams, of faith and family, and of Americans who loved their country. The future was limitless, and hard work made for a better life. This was the America I grew up in. This was Reagan’s America.

As I’ve gotten older, and particularly after becoming the father of two young children, my appreciation for and admiration of Ronald Reagan and his presidency has only grown. That’s why a portrait of the President hangs in my office suite.

Reagan’s accomplishments were impressive. His economic policies produced 19 million new jobs and seven straight years of economic growth above 3%. To put that in perspective, the last time we had *one* year like that was 2005.

His foreign policy was powerful. He applied military and economic pressure to the Soviet Union and called it what it was—an “evil empire.” More than anyone else, he helped end the Cold War and communism’s march. Hundreds of millions were freed from tyranny—a legacy that lives today. Indeed, look at Berlin, a city that remains unified and free three decades after Ronald Reagan’s courageous call to “tear down this wall!”

Now, these are highlights of the Reagan Presidency that most people know. But as the Chairman of the FCC, I have a special interest in the progress that was made in communications and technology policy during the Reagan Administration.

Did you know, for example, that it was an executive order signed by President Reagan that first made the Pentagon's Global Positioning (GPS) system available for civilian use? Given Southern California traffic, I imagine some of you used that technology to find the best way to get here tonight.

And the FCC Chairmen who served during the Reagan Administration were incredible leaders and visionaries. Mark Fowler and Dennis Patrick each did a fantastic job leading the agency. They moved aggressively to eliminate unnecessary rules and implement President Reagan's deregulatory philosophy. They set a high bar for those who came after them—and I strive for that bar every day.

Most notably, the Reagan FCC eliminated the so-called Fairness Doctrine. This misnamed government dictate suppressed the discussion of controversial issues on our nation's airwaves and was an affront to the First Amendment. The Reagan FCC also built the political foundation for auctioning licenses to spectrum—a free-market innovation blasted back then and widely accepted today. The Reagan FCC introduced “price cap” regulation, reducing government's role in micromanaging profits and increasing consumer welfare. And the Reagan FCC set the stage for much of the innovation that we see today. In 1985, for example, it had the foresight to set aside what were generally thought to be “junk” airwaves for anybody to use—what we call “unlicensed” spectrum. And entrepreneurs put it to work. Thanks to the FCC's vision, we now use unlicensed services every day, every time we access Wi-Fi or use Bluetooth or check a baby monitor.

So when Reagan left office, was America better off than it was 8 years before? You bet.

But to me, President Reagan's greatest accomplishment—and the one most relevant to my remarks today—is that he restored a collective feeling of pride in America and a sense of optimism about our future. He made us believe in ourselves again.

In the late 1970s, that belief was in doubt. The Vietnam War and Watergate still cast a shadow. We saw 14% inflation, high unemployment, an energy crisis, and the Iran hostage crisis. Just before President Reagan's inauguration, only 19% of Americans were satisfied with the way things were going, and for good reason. In Reagan's second term, that number reached as high as 69%. As Pulitzer Prize-winner Jon Meacham put it, “Freedom—from self-doubt, from the Soviet threat, from uneasiness about our national power and capacity to do great things—was Reagan's gift to the country.”

What about now?

America today is nothing like the country that President Reagan inherited. Unemployment is at 4.2%. Inflation is at 2%. Economic growth was 3.1% last quarter—the strongest number in three years.

Yet too many Americans are frustrated. According to Gallup, only 25% of Americans are satisfied with the way things are going. That's up from 18% last July, but hardly where we want to be.

And what about the years to come? In his beautiful farewell letter to the American people, Ronald Reagan reiterated his “eternal optimism” for our nation's future and wrote that “for America there will always be a bright dawn ahead.” I share that view.

But too many of our fellow citizens do not. According to a recent Pew survey, almost half of Americans said the future for the next generation would be worse than things are today while fewer than a quarter thought that the future would be better. And this is actually a slight improvement over surveys from 2016. This pessimism isn't a Republican or Democratic problem; it's an American problem.

What's going on?

Part of the answer can be found in a report that came out last month. The Economic Innovation Group released what it calls its “Distressed Communities Index.” It basically shows that economic gains

over the past few years have gone largely to affluent areas. But distressed communities are falling behind. In recent years, 52% of new jobs and 57% of new businesses have been created in prosperous communities representing only 27% of our nation's population. By contrast, about one in six Americans—52 million people—live in economically distressed communities that have been declining for years.

If you live in one of these distressed communities and feel like your only hope is to move away from home, a low national unemployment rate is cold comfort.

I also believe there's a second, related cause of America's uneasiness: technology.

Technology is changing almost every aspect of our lives: how we work, how we learn, how we interact with friends and loved ones, you name it. And big change can create big angst. For example, think about the roughly 3% of U.S. labor force—5 million people—who drive for a living. Imagine how they must feel reading the latest story about the ascendance of driverless cars.

But it's not just the scale of technological change that has people feeling uneasy. It's also that the change is coming so fast and will only get faster.

Given all this, it's worth asking: What would President Reagan think? What would he do?

First and foremost, I believe that Reagan—the eternal optimist—would focus not on the challenges created by new technology, but instead on its potential. This isn't my speculation. President Reagan basically said as much in a speech delivered 30 years ago at Purdue University.

This passage is a bit long, but it's so spot on for this moment that I hope you'll indulge me.

“How can we best foster the economic growth that leads to the creation of jobs in the first place?” President Reagan asked, before answering in this way: “Perhaps it would be best to begin by considering high technology and certain fears that high technology sometimes seems to instill. The computers I saw in your classrooms, the robots, and other high-tech devices—some fear that these innovations will destroy more jobs than they create, that technology is in some way the enemy of job formation; and yet we need only look at our nation's actual experience to see that this is not so. . . . It's true that over the years, adjustments have had to be made as older industries sometimes gave way to newer. But these adjustments were made, and today our nation employs some 113 million. No, technology is not the enemy of job creation but its parent, the very source of our economic dynamism and creativity.”

If that was President Reagan's reaction then, imagine his reaction to the possibilities of the Internet and the world of today. A central theme of a 21st-century Reagan White House could well be that it's morning in digital America.

We need to embrace the challenges of the Internet age with that same optimism. We need to recognize that technology can be a gateway to a better way of life for people and in places that are struggling to adjust.

So let's take an honest look at what's happening with technology and what it means.

The reason this is such an exciting—and yes, unsettling—time is that many major technological advances are converging at once. Artificial intelligence (AI) and machine learning are progressing quickly. Virtual and augmented reality applications are becoming real. 3D-printing is enabling anyone to create hardware. Smartphones, and high-speed wireless networks that enable them, are becoming smarter. The device in your pocket has more computing power than the most powerful supercomputer in the world when Ronald Reagan was President. And with cloud computing, more than two billion people across the planet have access to virtually unlimited computing power anytime, anyplace.

Every week, it seems like there are breakthroughs, big and small. Just look at one product unveiled last week. Google announced that it has developed wireless headphones that can translate 40

languages in real-time. The Universal Translator from Star Trek can now be yours. Yet again, science-fiction has become reality.

How big of an economic impact can these new technologies have? A few recent studies try to answer that question. One analysis by Accenture projects that by increasing labor productivity and unlocking new innovations, AI could boost annual economic output by more than 75%. They estimate as much as \$8.3 trillion in additional growth for the year 2035 alone.

There's similar potential for the next generation of wireless connectivity. The transition to the new wireless technology, 5G, promises to be more than just incremental change. We could see dramatic improvements in network speed, capacity, and responsiveness that will make the impossible possible. One analysis by CTIA, the wireless industry's trade association, suggests that 5G could create three million jobs and over \$500 billion in additional economic growth over seven years in the United States.

Technology is also dramatically accelerating the pace of innovation. In President Reagan's era, it could take decades to develop complex systems like airplanes, because you had to build physical prototypes and test them. With virtual environments and 3D-printed simulations, product development that used to take decades can now take months.

A second key lesson I've taken from the President is the importance of setting clear priorities and sticking to them. One of Reagan's greatest strengths was that everybody knew what he stood for: cutting taxes, reducing the size of government, and beating the Communists.

My top priority is pretty simple, too. Going back to my first full day as Chairman in January, I've said again . . . and again . . . and again that the FCC will focus foremost on bridging the digital divide. Every American who wants to participate in our digital economy should be able to do so. And to make that happen, we will embrace the free market, cut red tape, modernize our rules, and promote private ingenuity and investment instead of penalizing it.

Why is this so important? Because technology can help people rise. With a high-speed Internet connection, you can start a business and access a global customer base from anywhere in America. Through telemedicine, rural residents can be treated by a specialist hundreds of miles away. With connectivity, a farmer can use precision agriculture to boost his yield and improve his livestock. And with the Internet, any student, anywhere can learn.

If we bridge the digital divide, we can raise distressed communities and bring new hope to people who feel like they've been left behind. But if we don't, the gap between those who have and those who don't will only widen.

Unfortunately, the plain truth is that right now, we're not where we need to be.

In urban areas, only 2% of residents lack access to high-speed fixed service. In rural areas, over one-quarter don't have it. 93% of Americans earning more than \$75,000 have home broadband service. Barely half of those making less than \$30,000 do.

And those are just numbers. We can't lose sight of the fact that the digital divide is about real people. Each percentage point on the wrong side of the divide represents hundreds of thousands of personal stories—stories of families struggling in small towns as their neighbors move elsewhere to find a future.

To learn firsthand about the digital divide, and to build momentum for closing it, I've gotten out of Washington. I've met with Americans working in big cities and small towns to expand digital opportunity. My Digital Divide tour so far has taken me to 18 states, over 40 stops, more than 4,000 miles in rental cars.

I've had the privilege of meeting countless people during these travels to places like Wardensville, West Virginia and Durand, Wisconsin. Their stories stay with me, likely more often than they know. And they fuel my passion to help deliver digital opportunity to all Americans.

And since President Reagan knew the power of a good story, I thought I'd share three with you today.

I'll never forget meeting Stephen Pourier during my visit to the Rosebud Sioux Indian Reservation in South Dakota. He told me about a woman on his reservation who was found dead in her home clutching her cellphone. She had dialed for help 38 times—but never got a response because there was no wireless coverage.

Then there's Dr. Shazam Hussain of the Cleveland Clinic. He explained how connectivity has allowed the Clinic's mobile stroke unit to cut the average time for assessment and stabilization of a patient by 38 minutes. This is critical, considering that a stroke victim's brain loses two million brain cells every minute.

And two months ago, I met with David Jensen, Superintendent of the Humboldt County School District in rural Nevada. He explained how students in five remote schools are falling behind their urban peers because they don't have the bandwidth necessary to use digital learning tools.

Time and again, my travels have reaffirmed my belief in the power of the Internet to improve the lives of the American people, and the costs when Americans are left in the analog era.

But President Reagan taught me more than just the importance of setting priorities. A third key lesson was the timeless blueprint for achieving them.

Consider this 1985 quote from Mark Fowler, President Reagan's first FCC Chairman—a quote that applies today: “We want to eliminate, as much as we can, government regulation of the telecommunications marketplace so as to permit present players to provide new and innovative services to consumers and likewise permit new players to come in and compete.”

That's basically our approach today. The most powerful tool for expanding digital opportunity is market-based, light-touch regulation—for this maximizes private investment in high-speed networks. That's why we've sought to break down regulatory barriers to installing wireless and wireline infrastructure. Too often, government at all levels makes it hard for companies to construct next-generation networks. So we're focused on cutting as much of this red tape as we can. As Chairman Fowler put it, the telecom sector should be “‘Exhibit A’ for Adam Smith,” in that “both the consumer and the businessman can be better off in a free market.”

We're also trying to make it easier for new technologies and services to enter the marketplace. We've approved the next generation of satellite constellations. We've encouraged new fixed wireless companies to innovate. And we've proposed to make it easier for small fiber companies to string lines, whether in the Louisiana bayou or inner-city Detroit (and I've personally visited each). Each of these steps promotes competition and benefits consumers.

Another page we're adopting from the Reagan playbook is cost-benefit analysis. President Reagan once joked: “Economists are the sort of people who see something work in practice and wonder if it would work in theory.” But he understood their value. He was the first President to require executive branch analysis to ensure that the costs of rules don't outweigh their benefits.

As an independent agency, the FCC has long been exempt from that requirement. Too often, it hasn't met that standard. Indeed, too often it's failed to even try.

To correct this, I've proposed to establish an Office of Economics and Data at the FCC. This will leverage the expertise of staff economists who don't currently have a seat at the table. As a result,

economics, and cost-benefit analysis in particular, will be a core part of the FCC's policy work—not an afterthought.

One last lesson I'm trying to take from President Reagan is to seek bipartisan consensus whenever I can. President Reagan was a principled conservative. But he struck so many deals with Speaker Tip O'Neill that there's a book about it. As the President put it, "If I can get 70 or 80% of what it is I'm trying to get, I'll take that and try to get the rest in the future."

My very first decision as Chairman was to extend \$170 million in federal funding to bring Internet access to unserved rural areas in New York State. Notably, this plan was negotiated with Governor Andrew Cuomo, whose father famously said some unkind words about President Reagan in 1984, and Senator Chuck Schumer, who somewhat less famously has said some unkind words about me.

And since I took the gavel, I've tried to restore the collaborative and collegial traditions of the FCC. I've enabled commissioners to make their voices heard. I've empowered commissioners to vote on important decisions, instead of having subordinate bureaus decide them. I've visited a hurricane-ravaged region with a Democratic colleague. And under my leadership, about 80% of the major items voted on at our monthly meetings have been approved with bipartisan support and without dissent, compared to less than 50% under my predecessor.

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In his January 1989 farewell address, President Reagan said: "We did it. We weren't just marking time. We made a difference." And to me, that's what public service is all about. We're not here to hold titles. We're here to get something done for the American people.

And I couldn't be more excited about the opportunities that lie ahead. I believe that it's morning in digital America. The challenges before us are great, but the opportunities are so much greater.

It's time for us to be bold, for as Reagan told us in his unforgettable speech about the Challenger disaster, "[t]he future doesn't belong to the fainthearted; it belongs to the brave."

It's time for us to dream big, for as Reagan told us, "America is too great for small dreams."

It's time for us to act, for as Reagan told us, we hope that "those who come after will say of us . . . that in our time we did everything that could be done."

With that, I'd like to close on a personal note.

They say that Reagan loved the American Dream because he lived it.

That rings true to me. I spoke earlier about how much my love and reverence for this country comes from growing up in Ronald Reagan's America. Even more so, it came from living in the house of Raj and Radha Pai. My parents know a little something about the American Dream. They came to this country 46 years ago with literally no assets other than \$10, a transistor radio, and a desire to achieve that dream. I think of all their sacrifices, all those risks they took, all those long hours they worked, all those moments when they must have worried about what the future would hold. I think of how hard it must have been—and how proud they were to make it and give me and my sister a better future.

And then I think of what Ronald Reagan said on the last full day of his Presidency.

"Since this is the last speech that I will give as President," he said, "I think it's fitting to leave one final thought, an observation about a country I love. It was stated best in a letter I received not long ago. A man wrote me and said, 'You can go to live in France, but you cannot become a Frenchman. You can go to live in Germany or Turkey or Japan, but you cannot become a German, a Turk, or a Japanese. But anyone, from any corner of the Earth, can come to live in America and become an American.'"

My parents came to this country from India. But when it comes to embodying the values and principles of our great land, in many ways, they are the most American people that I know. In the early

1980s, they quickly became fans of Ronald Reagan—and have been ever since. They too see the shining city upon a hill. They knew—and I know—that America’s “best days have just begun.”

Thank you, Mr. President, for what you did for me. Thank you, Mr. President, for what you did for my parents. And thank you, Mr. President, for what you did for this great nation—the last best hope for man on earth.

God bless you all and God bless America.