

**REMARKS OF FCC COMMISSIONER AJIT PAI  
AT CCA'S 2016 ANNUAL CONVENTION**

**SEATTLE, WASHINGTON**

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I want to thank the Competitive Carriers Association for inviting me to speak at your annual convention. It's great to be here in Seattle with you.

When I think about Seattle, there are a few things that immediately come to mind. And coffee, of course, is one of them. Given that I'm kicking off this morning's keynote session before the clock strikes nine, I hope that you all are fully caffeinated!

I want to start by thanking the entire CCA team for the work they do advocating in Washington for wireless carriers across the country. Steve Berry, in particular, always makes a pithy, compelling case in a way I can only envy. Back in June 2013, for instance, cellphone unlocking was a hot topic. I wrote an op-ed in *The New York Times* arguing that the Library of Congress's interpretation of the Digital Millennium Copyright Act wrongly treated cellphone owners as licensees of the software that locks a phone to a network. Anything but pithy. Well, the very next day, Steve put it perfectly while testifying at a congressional hearing: "Consumers should not have to be a virtual MacGyver in order to unlock their handsets." Right on principle plus a great 1980s TV reference? *That* is how it's done.

I also want to commend the members of CCA for all the tremendous work that you're doing to bring advanced wireless technologies to consumers across the country. You're spurring on competition in the wireless industry by offering new and innovative services and plans. You're serving consumers with free music, free data, and other competitive offerings. You're finding creative ways to differentiate yourselves in the market and serve your communities.

Take Commnet Wireless. Commnet found that visitors to some of our country's national parks didn't have wireless access to emergency alerts and severe weather information. Sometimes they would walk into life or death circumstances without even knowing it. So Commnet partnered with other tech companies and developed a new emergency warning system that uses Commnet's wireless service and a network of weather sensors to provide real-time safety information. Initiatives like these are already saving lives.

Or consider Nex-Tech Wireless. Based in my home state of Kansas, Nex-Tech serves about 60,000 subscribers in and around Hays in the western part of the state. It recently upgraded the wireless infrastructure and services available to students at Fort Hays State University, and it created two new scholarships for university students. I had a chance to speak with them at the kickoff reception a few days ago, and I told them that I appreciated what they're doing to bring connectivity and opportunity to folks in the Sunflower State.

Or take Seattle's own T-Mobile. They're pushing innovation at every level, from consumer-friendly offerings like BingeOn to the architecture of its 4G network. They're looking at tomorrow's technologies, from LTE-U to 5G. They're creating a more competitive wireless marketplace.

In sum, CCA members—whether they are small, regional, or national providers—are stepping up to the plate to compete and serve consumers. Both as a Commissioner and as a consumer, I appreciate that.

To me, ensuring that every American in the country has access to advanced wireless services is not an abstraction. It's something real, and something that I'm passionate about. That's because I grew up in rural Kansas, parts of which are on the short end of the digital divide. That's something I want to change. I think that every American should have access to mobile broadband regardless of where they

live. I know there's virtually no limit to what Americans who are disconnected today could achieve tomorrow if they become participants in, rather than spectators of, the digital economy.

So this morning, I want to take a few minutes to lay out my ideas on how we can close the digital divide—how governments at all levels can make it easier for providers to deploy broadband across the country. I call it a Digital Empowerment Agenda.

It begins with some simple facts—facts you already know: The cost to deploy broadband is staggering. And the maze of federal, state, and local regulations that needlessly slow down the process is dizzying. So we need to cut through the red tape.

Here are five ideas on how we can make that happen and promote broadband deployment throughout the United States.

*First*, the FCC must aggressively use its legal authority to make sure that local governments don't stand in the way of broadband deployment. That means taking a fresh look at section 253 of the Communications Act and preempting state and local regulations that prohibit or have the effect of prohibiting the provision of service. It means looking at section 332(c)(7) of the Communications Act and section 6409 of the Spectrum Act, where Congress clearly and specifically granted the Commission the power to remove barriers to infrastructure deployment.

It's time for us to fully use those authorities to preempt barriers to broadband deployment. For example, the FCC has already established a shot clock within which local governments are supposed to review wireless infrastructure applications. But if a city doesn't process the application in that timeframe, a company's only remedy is to file a lawsuit. We should give our shot clock some teeth by adopting a "deemed-grant" remedy, so that a city's inaction lets that company proceed.

*Second*, the FCC needs to reform its rules governing pole attachments. We need to bring down the costs that ISPs currently pay to attach fiber, coax, and other infrastructure to utility poles. We should exclude capital expenses from the pole attachment formula and re-examine the reasonableness of costs charged by pole owners for preparing poles, ducts, conduits, and rights-of-way for pole attachments. And where our authority is lacking—say, poles owned by governments or railroads—Congress should expand it.

*Third*, the FCC should develop a model code for cities and towns that want to encourage broadband deployment and competitive entry. To do this, we should establish a new advisory committee, a Broadband Deployment Advisory Committee, and ask it to draft for the Commission's consideration a model code covering local franchising, zoning, permitting, and rights-of-ways regulations. Its approach should be forward-looking. It should recommend to the FCC an appropriate shot clock for local action. It should consider what fees are reasonable. It should recommend allowing ISPs to hire certified, private safety inspectors to speed up the work of deployment. It should examine how to ensure new entrants get speedy access to poles and conduit. It should identify categories of deployments, particularly wireless, for which there should be minimal regulatory hoops for providers to jump through. And for inspiration, it should survey which policies have worked in broadband-friendly communities across our nation. Once the Advisory Committee has completed its process, the full Commission should review the model code to ensure that it places a firm enough thumb on the scale in favor of faster deployment.

*Fourth*, it's time for the federal government to do its part to speed up the deployment of broadband on federal lands. I've outlined many ideas for reforming this process, such as adopting shot clocks for agency decisions, standardizing fees, and establishing longer lease terms with renewal expectancies. I hope these ideas give providers the certainty necessary to invest.

*Fifth*, we must make "dig once" a central tenet of our nation's transportation policy. The concept is simple enough: Every road and highway construction project should include the installation of the

conduit that can carry fiber optic cables. This step could go a long way in lowering the cost of broadband deployment.

With these five steps, I think we can make it a lot easier for CCA members and all wireless providers to deploy, compete, and serve consumers everywhere.

But we also need to think about the unique challenges that impact wireless services in rural America. As you all know, serving rural America isn't easy: Populations are sparse, the terrain can be unforgiving, and the deployment costs are high. But if the Digital Empowerment Agenda is to succeed, we have to make it easier for rural consumers to benefit from the wireless revolution.

Here's my plan for making that happen.

*First*, the FCC must move forward with the Mobility Fund Phase II. We need objective, technologically neutral performance standards. We need to end subsidies in areas where private investment is doing the job. We need to preserve and advance mobile broadband throughout our nation by basing the fund on the facts on the ground. That means we shouldn't be tied to the \$400 million per year providers are receiving today nor the \$500 million the FCC proposed five years ago. And we need to make sure that the most efficient provider meets accountable benchmarks.

*Second*, getting the job done in rural America may take more funding than is currently available in the Universal Service Fund. That's why I believe Congress should authorize a "rural dividend" from the sale of wireless spectrum.

Here's how the rural dividend would work. Whenever the FCC auctions spectrum, we would take 10% of the net proceeds raised from the sale and use it to support mobile broadband deployment in rural America. We would award the funds in particular areas over a set term of years. This way, the rural dividend would enable wireless providers to make long-term investment decisions. And the money that CCA members and others are spending to obtain spectrum could be put back in to deploying wireless service across America.

If this plan had been in place over the last decade, an additional \$7 billion, or \$700 million per year, would have been available for deployment. That's real money that CCA members could've used to deploy and support wireless service in rural America.

*Third*, we need to take a fresh look at license terms and buildout obligations. I've proposed to increase the license terms for wireless companies to 15 years in exchange for increased buildout obligations. In combination, I hope these changes will give wireless providers the certainty and timeline necessary for them to continue to invest in rural America. And importantly for CCA members, these additional buildout obligations may encourage license holders to partition and sell their licenses to rural wireless providers hungry for spectrum.

In short, I believe we can deliver high-speed wireless broadband to rural America. And this three-step plan would give rural Americans the access they need and want.

Thus far, I've talked about policies that could spur deployment across America. And I've outlined policies that could spur deployment in rural America. Last but not least, we need policies to spur deployment in low-income areas.

To do this, I've proposed the creation of what I've called Gigabit Opportunity Zones. I gave a lot of details about this idea last week, so I just want to hit the high points today and focus on what I think is most relevant to CCA's members.

The idea is simple. We need to encourage broadband deployment in low-income areas in order to boost job creation and investment. To do that, we should give ISPs financial incentives to deploy gigabit broadband as well as tax incentives for startup companies to take advantage of those networks and create jobs in these areas.

To qualify an area as a Gigabit Opportunity Zone, state and local governments would have to adopt broadband-deployment-friendly policies, such as the model code I discussed earlier. And because these reforms don't just benefit gigabit-fiber builds, any ISP—including wireless providers—could take advantage of the streamlined regulations to deploy their antennas, small cells, backhaul, and other broadband infrastructure.

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I know I've put a lot of ideas out there during an early morning session, so I apologize if you didn't take my caffeine warning seriously. But I do feel a responsibility to put policies in places that will make it easier for you all to do your jobs, and I believe my Digital Empowerment Agenda would do that. (There are other policies I haven't had a chance to discuss that could help, too, like preserving a space for innovative technologies like LTE-U and helping bring more high-band spectrum to bear in the 5G world.)

Yesterday, I was reminded of the positive role government can play when I had the chance to tour CenturyLink Field, where the Seattle Seahawks play. Their fans are known as the "12th Man" because they create an environment that allows the 11 players on the field to compete and succeed. And in many ways, that's how I view my role at the FCC. I want to help wireless companies like you—the MacGyvers out there who are innovating, competing, and serving consumers every day—to keep getting the job done. I hope that the ideas I've talked about will do that.

Thank you again for inviting me to speak today, and I look forward to working with you in the future.