

REMARKS OF COMMISSIONER BRENDAN CARR
AT THE U.S. CHAMBER OF COMMERCE, TELECOMMUNICATIONS & E-COMMERCE
COMMITTEE

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Good morning. I want to start by thanking the Chamber and the Telecommunications & E-Commerce Committee for inviting me to speak today. It's great to be here with so many innovators, entrepreneurs, and job creators.

I especially enjoy the chance to speak in a building that for years was adorned with a giant banner that carried a simple, all-caps message: JOBS. In 2010, the Chamber positioned that banner just above the tree line looking out across Lafayette Park towards the White House. Though I don't know for sure, I suspect there was a strategy behind that decision.

But what I do know is that the message is one that rings true with me. In my time at the FCC, I have tried to focus on ways that tech and telecom policies can help create jobs, spur investment, and grow the economy for the benefit of all Americans.

And we've been working hard at the FCC to play our part in that effort—to update and modernize our rules. There has certainly been plenty for us to do.

Take the very first vote I cast as a Commissioner. It was not about some new, high-tech offering. It was about the telegraph. That's right—in 2017, we finally voted to remove long-outdated references to the telegraph from the FCC's rules.

Unfortunately, this is emblematic of a larger problem. For far too long, those in Washington had a tendency to pile on regulations while demonstrating little zeal for eliminating them when they outlived their usefulness.

I'll give you another example of how this has worked in the real world. Since the 1930s, the FCC has required broadcasters to ship paper copies of certain contracts to the agency so that they could be available—in hard copy—in the Commission's reference room. In the intervening 70 or so years, there's been this invention called the Internet. So there's no reason to continue putting broadcasters through the expense of shipping reams of documents to the Commission.

In fact, I have an idea I want to throw out there today: We should create the “Dunder Mifflin Rule”—if the only beneficiary of a regulation is the paper supply industry, the regulation is void *ab initio*. Next week, we have the chance to put this rule to the test as the Commission will be voting at our open meeting to eliminate this paper filing requirement.

But in all seriousness, there are far too many rules on the books that are similar to this one. And the cumulative burdens they impose, particularly on small businesses, are staggering.

Last year, for instance, I met with small and rural broadband providers that told me that the Commission's paperwork and reporting obligations alone now consume 23 weeks of work per year or five months of full-time labor. I heard from a small wireless provider that they have to take one of the few people they employ off of a customer service job or marketing effort and sit them in a room to complete FCC paperwork. These small businesses are not corporate behemoths. They do not have, and

simply cannot afford, an army of regulatory lawyers. If we can eliminate these wasteful regulations, small businesses can get back to doing what they do best: serving their customers and creating jobs.

But it is not just the paperwork burdens that had become the problem at the FCC. During the last Administration, the agency demonstrated a penchant for imposing costly and unnecessary regulations—ones that slowed down our nation’s transition to next-generation networks. The Obama-era FCC’s failed experiment with heavy-handed, utility-style regulation of the Internet is just one example. In the wake of that decision, capital expenditures by broadband providers declined for the first time ever outside of a recession. Less investment meant less deployment and, by one estimate, tens of thousands of lost jobs.

But at the FCC, last January marked a turning point. We have reversed course and are now focusing on policies that will spur broadband deployment—a decision that can help create good-paying jobs across the economy.

If you don’t want to take my word for it, I invite you to visit Claremont, North Carolina, like I did on my first trip as a Commissioner. Claremont is a town of 1,355 people—about 300 families—that hugs the Appalachian Mountains in the western side of the state. It’s not really near the tech hubs of the Research Triangle or Charlotte, and you’d be hard-pressed to find a building above two stories there. But what Claremont does have is a 588,000 square foot plant that manufactures fiber optic cables—the guts of the Internet, if you will. I checked online the other night, and right now the plant’s owner has 23 job openings. Some require advanced training or education, others don’t. Many require a hard hat. These are good-paying jobs—the types of jobs you can raise a family on.

My experiences in Claremont and in similar manufacturing facilities I’ve visited in the weeks since from Maryland to Texas to California only underscore the important role that our policies can play in creating opportunities for Americans across the country. Whether it is the workers that manufacture and deploy broadband infrastructure, the app economy that runs over high-speed networks, or the businesses that use these connections to reach customers around the world, broadband can harness the talents of all Americans and help drive our nation’s economic growth.

As I look toward the future, I am confident that the FCC is now heading in the right direction. I am confident that we are embracing policies that will incentivize even greater broadband deployment.

This is particularly important as we make the transition from 4G to 5G wireless technologies—a shift that will require a massive investment in both wired and wireless broadband infrastructure. In fact, if we get the right policies in place, 5G could mean \$275 billion in network investment, three million new jobs, and a half a trillion dollars added to the GDP.

But getting there will require fundamental changes to our permitting and regulatory structures. In what might be the Year of Infrastructure in Washington, the FCC has its work to do. We must modernize the federal, state, and local regimes that govern infrastructure deployment. 5G is going to involve a 10- to 100-fold increase in small cells in addition to millions of miles of new fiber and other high-speed connections. The current regulatory regime is not designed to support or process deployments on this type of scale. It costs too much and takes too long. So we need to drive the unnecessary regulatory costs out of the system, and we need to speed the timeline for obtaining regulatory approvals.

Consider how the current process works (or doesn’t) for one Internet service provider I met earlier this week. The company deploys fixed wireless broadband, which for some communities is one way they can get competitive Internet access. This provider was hired to build broadband through a national park—a deployment that could bring high-speed Internet to remote schools and to park service rangers. The company’s founder told me that when he approached a federal agency to get the necessary

permits, he was told that the process would take a minimum of two years. That's not fast enough. We need to update and streamline our approach at the federal, state, and local levels.

We need to make sure that our regulatory structures are what I call 5G ready. To that end, I have spent much of my time at the FCC over the past few weeks reviewing the record in our wireless infrastructure proceeding. In the coming weeks, I'll be providing more details about my thoughts on the path ahead. I will be laying out the concrete steps we can take to ensure that the U.S. is positioned to win the global race to 5G. And I'm not just talking about less paperwork. We need to take a hard look at our regulations and eliminate the ones that are standing in the way of wireless infrastructure deployment.

Doing so will deliver real results, including in rural and less densely populated parts of the country that might otherwise miss out on 5G and other advanced deployments. In fact, one study shows that through streamlining alone, the FCC could flip the business case for thousands of communities. Regulatory reforms could make it economical for the private sector to deploy 5G to nearly 15 million more homes than under the existing regime. That's an additional \$24 billion in investment that could be incentivized simply by removing regulatory barriers to deployment.

I am committed to getting these types of reforms across the finish line and ensuring that our regulatory frameworks incentivize and support the massive levels of private sector investment necessary to build and maintain these next-generation networks.

Before I close, I want to turn back to the Chamber's old JOBS banner. I think it highlights another key piece of the path ahead. We need to ensure that we have the skilled workforce necessary to get the transition to next-generation networks across the finish line. Last year, I participated in a roundtable hosted by the Wireless Infrastructure Association outside of Baltimore, Maryland. It was eye opening, to the say the least. A broad range of stakeholders all agreed that there is a shortage of workers with the skills necessary to deploy and maintain the small cells, distributed antenna systems, and other network infrastructure for 5G deployments. And this skills gap is a topic that has come up repeatedly in my meetings with both wireless and wireline providers. While there is no direct regulatory role for the FCC, I think we need to focus some additional attention on this issue and potential solutions, including the role that apprenticeship and other job training programs can play. I know that the Chamber is taking an active role in supporting those types of efforts, so I am happy to find ways we can work together to ensure we have the workforce that can take advantage of this new economy.

Thank you again for inviting me to speak here today. I look forward to your questions.