



FCC Chairman Pai Delivers First Major Policy Speech as Chairman

March 16, 2017

Yesterday, [Federal Communications Commission \(FCC\)](#) Chairman Ajit Pai delivered his [first major policy address](#) under his tenure as Chairman. Appearing at Carnegie Mellon University in Pittsburgh, Chairman Pai's remarks outlined a continued focus on bringing economic opportunities through broadband to the nation's most needed areas, beginning his address with four guiding principles, followed by specific policy priorities to promote infrastructure and innovation. The major themes of the speech included free market approaches, easing regulatory barriers, and connecting America's unserved communities.

Pai's Four Guiding Principles

Chairman Pai hopes his four guiding principles will bring innovation and greater broadband infrastructure to the nation.

1. The Importance of Digital Empowerment

Chairman Pai stated that he believed "in the power of Internet-based technologies to create jobs, grow our economy, and improve people's lives in countless ways." Broadband helps students and entrepreneurs alike by leveling the playing field and bringing opportunities to those "with drive and determination to transcend their individual circumstances and transform our country."

2. The Need for Ubiquitous Internet Access

During his discussion of ubiquitous access, Pai said, "I believe that every American who wants to participate in our digital economy should be able to" and that he plans "to focus more time and attention than the FCC traditionally has on places where people feel left behind—places that Washington too often looks past." This emphasis on rural broadband is consistent with Chairman Pai's previous addresses and actions, and yesterday's remarks suggest it will continue to be a high priority for his Chairmanship.

3. The Power of Competitive Free Markets

Chairman Pai expressed his belief that the American people are best served when "the private sector has the incentives and freedom to invest and create." By eliminating unneeded barriers to investment, the country may encourage new discoveries and services.

4. Light-Touch Regulation

To follow-up on his belief that free markets are vital, his fourth point extrapolated on light-touch regulation, stating that he believes "a healthy respect for the free market doesn't mean that government has no role." In fact, Pai suggested that the FCC has an important job to protect consumers, promote public safety, and be proactive in freeing up more wireless spectrum for 5G deployments, among other things.

Policies to Promote Infrastructure and Innovation

With these four guiding principles in mind, Chairman Pai discussed specific policies that would influence two areas: Infrastructure and Innovation.

Infrastructure

Easing Regulations

Touching on his free market statements from earlier in his speech, Pai reiterated the importance of easing regulations that prohibit growth citing a newly formed [Broadband Deployment Advisory Committee](#) whose key tasks include drafting a deployment-friendly model code that any city or town can use to deliver faster, cheaper, and better broadband for its residents.

The Chairman went on to say that he “has instructed all of the Commission’s bureaus to identify FCC rules that are raising the costs of broadband buildout” and discuss if and how they should be repealed. Additionally, Pai stated that the Commission must make it easier for providers to upgrade their infrastructure, such as replacing copper with fiber in order to ensure maximum efforts in connecting America’s underserved.

The FCC’s Role in Promoting Infrastructure

While recognizing that the business case for broadband deployment is not always present, Pai expressed support for the Commission’s previous actions to adopt a bipartisan plan to spend [\\$4.5 billion to make 4G LTE mobile broadband available](#) in parts of rural America without wireless service, as well as rules to deliver \$2 billion for fixed broadband to unserved Americans through the [Connect America Fund](#). Pai also referenced his very first vote as Chairman directing [\\$170 million to spur broadband deployment in upstate New York](#).

Congressional Infrastructure Package

Most notably, Chairman Pai discussed his opinions regarding potential infrastructure funding, stating that “if Congress moves forward with a major infrastructure package, broadband should be included.” He went on to give thoughts on how those investments should be made offering two ideas:

1. **Any direct funding for broadband infrastructure appropriated by Congress should be administered through the FCC’s Universal Service Fund (USF) and targeted to areas that lack high-speed Internet access.** The purpose of this appropriation approach would be to minimize waste since the newly revised rural deployment programs are designed to use a reverse auction in which the FCC awards subsidies based on cost-effectiveness. Additionally, Pai felt they reduced wasteful spending by preventing subsidies in areas where the private sector is already investing in networks, so there is no risk of overbuilding.

An interesting point Chairman Pai made was that he believed the FCC’s track record to be better than that of other agencies, citing the 2009 stimulus funding that gave resources for broadband deployment to the Commerce and Agriculture Departments. Pai stated that the Government Accountability Office “found that many USDA projects were delayed and dozens wound up being cancelled altogether,” and “the Commerce

Department's program fared no better—indeed, it's best known for duplicating existing networks in Colorado and wasteful spending in West Virginia.”

2. **Gigabit Opportunity Zones** should be included in Congress's infrastructure bill. This concept, part of Pai's [Digital Empowerment Agenda](#), would provide tax incentives for Internet service providers (ISPs) to deploy high-speed broadband services in low-income neighborhoods. The plan would require local governments to make it simpler for ISPs to deploy networks, and tax incentives would be offered for startups of all kinds, allowing them to take advantage of the networks and create jobs.

Innovation

Chairman Pai suggested that the FCC should serve in facilitating innovation rather than hindering it through outdated rules and regulations. Specifically, he declared that “Starting today, we are going to breathe life into Section 7 of the Communications Act—or maybe the more proper metaphor would be to add teeth.” This Act dictates the Commission to make a decision as to whether or not any new technology or service proposed to the FCC is in the public interest within one year of a petition/application being filed. To aid in this effort, Pai is putting the Office of Engineering and Technology (OET) in charge of ensuring compliance.

Lastly, Chairman Pai ended his speech stating that “we led the way in the deployment of 4G LTE, and we must do the same in 5G” since “5G could transform the wireless world and provide even more robust competition to wired networks.”

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