

**STATEMENT OF  
CHAIRMAN AJIT PAI  
FEDERAL COMMUNICATIONS COMMISSION**

**“OVERSIGHT OF THE FEDERAL COMMUNICATIONS COMMISSION”**

**BEFORE THE**

**UNITED STATES SENATE  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**

**JUNE 24, 2019**

Chairman Wicker, Ranking Member Cantwell, and Members of the Committee, thank you for inviting me to testify. I appreciate the opportunity to update you on the work of the Federal Communications Commission, particularly our efforts during the COVID-19 pandemic.

Since becoming FCC Chairman in January 2017, my top priority has been to close the digital divide. With the onset of the COVID-19 pandemic, Internet connectivity is more important than ever. Americans rely on broadband to telework, take classes online, consult with doctors remotely, and stay in touch with loved ones they can't see in person. That's why I'm committed to using, and why we in fact have been deploying, every resource at the FCC's disposal to deal with this unprecedented national emergency.

For example, I challenged broadband and telephone service providers to take the Keep Americans Connected Pledge—a voluntary commitment (1) not to terminate service to any residential or small business customers because of their inability to pay their bills due to disruptions caused by the coronavirus pandemic; (2) to waive any late fees that residential or small business customers may incur because of their economic circumstances related to the coronavirus pandemic; and (3) to open a company's Wi-Fi hotspots to any American who needs them. The Keep Americans Connected Pledge is a big win for the American people with more than 780 providers participating who serve the vast majority of broadband and telephone subscribers. Based on the feedback we've received, the Pledge has been critical to maintaining connectivity for millions of Americans. Companies have also gone above and beyond the Pledge by offering free or discounted service for low-income Americans and students, lifting data caps, and increasing broadband speeds at no cost to meet the heightened demand for connectivity due to telework and distance learning.

The Keep Americans Connected Pledge is a public-private partnership which has been critical to American consumers. Without it, many consumers would have found it much more difficult, if not impossible, to conduct their daily lives. It has been an extraordinary success, and I commend all of the broadband and telephone service providers that have stepped up to the plate to do the right thing during this national emergency.

But these companies, especially small ones, cannot continue to provide service without being paid for an indefinite period of time; no business in any sector of our economy could. Accordingly, the Pledge will expire as currently scheduled on June 30. As we transition out of the Pledge, I have called on broadband and telephone service providers to take steps to help ensure that American consumers and small businesses remain connected over the coming months. Specifically, I have asked these providers not to disconnect in July consumers and small businesses who have fallen behind on their bills as a result of the COVID-19 pandemic. Instead, I have urged them to place such consumers into payment plans and

deferred payment arrangements to ensure that these consumers have a chance to catch up. I have also asked them to maintain and expand their plans for low-income families and veterans as well as their remote learning plans for students. Some companies have already stepped up to the plate in these regards.

But I believe more is needed. Back in March, the Commission worked with Congress to secure funding for the COVID-19 Telehealth Program, which has aided hospitals, health care providers, and patients in some of the hardest-hit areas of the country. As we transition out of the Pledge, I believe now is the time for further legislation to ensure that doctors and patients, students and teachers, low-income families and veterans, those who have lost their jobs and livelihoods due to the pandemic and the accompanying lockdowns, those in our cities and those in the countryside—in short, all Americans—remain connected until this emergency ends.

The efforts of the Commission and the private sector as we transition out of the Pledge will afford Congress the opportunity to provide funding in July to help ensure that Americans have continued access to broadband and telephone services. And the Broadband Connectivity and Digital Equity Framework proposed by Chairman Wicker and Ranking Member Greg Walden of the House Committee on Energy and Commerce is a forward-thinking proposal. The FCC welcomes the opportunity to work with you on this or other related legislative initiatives.

Expanding telehealth has also been a key priority for the Commission throughout the pandemic. I would like to take this opportunity to thank the Committee and Congress for establishing the COVID-19 Telehealth Program as part of the CARES Act. Funding for this program supports the daily work of frontline healthcare providers in hard-hit regions, from Massachusetts to the Navajo Nation. By supporting connected healthcare services, we're enabling many patients to access care remotely, while reducing the risks to healthcare providers. The Program has thus far made a major impact; we've approved 367 funding applications in 45 states and Washington, D.C., for a total of \$128.23 million. In Mississippi, for example, we've awarded funding to the University of Mississippi Medical Center/UMMC Consortium in Jackson, the Southwest Mississippi Mental Health Complex in McComb, and Leland Medical Center in Leland. In Washington State, we've provided support to the Providence St. Joseph Health Consortium in Renton, and the Hilltop Regional Health Center in Tacoma.

Since March, the Commission has also taken a significant number of steps to help meet connectivity needs through the Universal Service Fund. For example, the Commission unanimously adopted my February proposal to fully fund all eligible Rural Health Care Program services for the current funding year with an additional \$42.19 million. We took additional action to assist program participants, including extending the application window until June 30, 2020, and easing competitive bidding requirements for health care providers with expiring evergreen contracts. We've also waived our gift rules governing the program to enable service providers to offer, and hospitals and rural healthcare providers to solicit and accept, free improved connections or additional equipment for telemedicine during the coronavirus outbreak.

And the FCC has taken other decisive action to allow providers to better serve consumers during the pandemic. For instance, we've granted Special Temporary Authority to allow fixed wireless providers, cellular carriers, and others to use additional spectrum. These actions have yielded positive results, increasing speeds, improving consumer access, and otherwise ensuring that spectrum is put to its highest valued use.

Indeed, it is notable that even with a massive shift in society, with millions of Americans staying (and thus accessing the Internet) at home, our nation's communications networks have held up very well. There has been a noticeable increase in traffic and a change in usage patterns, but our broadband networks have met the challenge. For example, according to the most recent data from Ookla, average fixed and mobile broadband download speeds in the United States are now three to five percent faster than they were before the pandemic hit the United States. I believe that's thanks in part to networks being designed

to handle ever-higher peak traffic loads and in part to our market-based regulatory framework, which over the past three years has promoted substantial infrastructure investment and deployment.

Outside of the context of the pandemic, the digital divide continues to close. New fiber deployment set a record in 2018—a record that itself was broken in 2019. From 2016 to 2018, the number of Americans without access to at least 25/3 Mbps fixed broadband fell by 30% while the number of Americans without access to 250/20 Mbps fixed broadband plummeted by 75%. According to Ookla, during that same time period, the number of Americans without access to 10/3 Mbps 4G LTE mobile broadband fell by 62%.

Broadband service is also improving, with average speeds skyrocketing. According to Ookla Speedtest Intelligence Data, average fixed broadband download speeds have increased by 133% since January 2017 while average mobile broadband download speeds have increased 99% during that same time period. The Internet remains free and open. The United States is leading in 5G, with the FCC delivering low-, mid-, and high-band spectrum. We continue to work to promote rural broadband deployment through the reduction of regulatory burdens and reform our USF programs, aiming to efficiently distribute funds to those areas where the business case to deploy with private capital alone does not exist.

With respect to our efforts to expand broadband access, the Commission's 2018 Connect America Fund Phase II reverse auction allocated \$1.488 billion in support over ten years to expand broadband to more than 700,000 unserved rural homes and small businesses in 45 states. We've now authorized thirteen waves of funding, totaling more than \$1.45 billion, which expands connectivity to 643,813 homes and businesses nationwide, including in Arizona, Colorado, Florida, Hawaii, Illinois, Indiana, Kansas, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, South Dakota, Tennessee, Texas, Utah, Washington, and Wisconsin. I have seen the positive results for myself, traveling in February to Wind River Reservation in Wyoming. There, I visited with Tribal leaders, including a Tribally-owned broadband provider which is using CAF Phase II funding to extend high-speed access to very rural, poor members of the Northern Arapaho and Eastern Shoshone Tribes.

Going forward, the Rural Digital Opportunity Fund represents the Commission's boldest step yet in bridging the digital divide. This new program builds upon the success of the CAF Phase II auction and will provide more than \$20 billion over the next decade to support up to gigabit service for up to 6 million rural homes and businesses through a competitive reverse auction. We plan on targeting support to areas lacking access to fixed 25/3 Mbps broadband through a two-phase approach. The first phase will address areas of the country that everybody agrees are unserved. The second phase will cover areas in which the first phase doesn't yield winning bidders, as well as any areas that are partially served.

Through the Rural Digital Opportunity Fund, we will connect more Americans to faster broadband networks than any other USF program in history. On June 9, the Commission adopted a Public Notice setting forth auction procedures for the first phase of the auction, which is scheduled to begin on October 29. This phase will make up to \$16 billion available for the deployment of fixed broadband networks across rural America. The benefits would be felt from the Mississippi Gulf Coast to the Appalachian Mountains, and from the Great Plains to the Pacific Ocean.

Now, some have called for delaying Phase I of the Rural Digital Opportunity Fund auction—for months, and more likely for years—until more granular broadband coverage maps are ready through the Commission's Digital Opportunity Data Collection. But that would be a mistake; the areas the Commission is targeting in the Phase I auction are areas where the Commission's current data show there is currently no service. As of March, Commission staff estimated that approximately 11.7 million unserved Americans live and work in areas that we *know* are unserved. Delaying them access to broadband purposely keeps them on the wrong side of the digital divide and also will do nothing to help

those living in partially-served areas get broadband more quickly. We're not going to do that. Digital opportunity delayed is digital opportunity denied.

We have also made significant progress on the Commission's 5G FAST Plan. With respect to spectrum—the first component of that Plan—the Commission has left no stone unturned in its quest to make a mix of low-, mid-, and high-band spectrum available for 5G services. Our auctions program has been active and has produced at record levels. Earlier this year, we concluded Auction 103, in which bidders won licenses for 3,400 megahertz of spectrum in the upper 37, 39 and 47 GHz bands, the most spectrum ever won in a single auction. That auction followed the aggressive schedule set the year before, when we auctioned 850 megahertz in the 28 GHz band, and 700 megahertz in the 24 GHz band. Combined, these three auctions made available almost five gigahertz of high-band spectrum for commercial use. To put that in perspective, that is more spectrum than was used for terrestrial mobile broadband by all wireless service providers in the United States combined before these auctions started.

Gross proceeds for these three auctions totaled over \$10 billion. And with more auctions to come, now is a fitting time to reiterate my 2016 call for a Rural Dividend. Such a dividend would set aside 10% of the net proceeds from the Commission's spectrum auction program and make them available for rural broadband build-out as a supplement to our high-cost program. With new auctions on the horizon, now is the time to act, and I applaud Chairman Thune for his recent proposal along these lines.

Coming up next is our 3.5 GHz auction, scheduled to start on July 23. It will make available 70 megahertz of spectrum for Priority Access Licenses on a county-by-county basis, offering the greatest-ever number of licenses—over 22,000—in a single FCC auction. Earlier this month, our auctions staff announced we had received 348 short-form applications to participate in the auction, also a record for any single auction.

Next on deck is the 2.5 GHz band. The Rural Tribal Priority Window for the 2.5 GHz band is currently open. As you may recall, the Commission last year liberalized the rules of this underused mid-band spectrum and created a special opportunity, a priority filing window, for rural Tribes to get early access to 2.5 GHz before the start of an auction. That window has been open since February 3 and will close on August 3. Our staff has been engaged in reaching out to Tribal stakeholders about this window for the better part of a year now, including notifying every single federally-recognized Tribe in the country before the start of the window and providing ongoing support during the window. I'm grateful for their efforts to assist Tribes in applying for this unique chance to acquire prime spectrum that is well-suited for rural deployments. Once the window closes, I expect we will move forward with scheduling a 2.5 GHz auction in the first half of 2021.

We're also on track to commence a public auction of 280 megahertz of mid-band spectrum from 3.7-3.98 GHz (known as the C-band) beginning December 8. I want to acknowledge the continued interest and support of the FCC's C-band proceeding by Chairmen Wicker and Thune, and other Committee members. Our efforts to make this critical spectrum available for 5G have been going very well. Our staff announced earlier this month that all eligible space station operators currently using this spectrum had committed to an accelerated relocation—meaning it will become available for 5G two to four years earlier than otherwise would have been the case. Getting this essential spectrum out years ahead of schedule will promote American leadership in 5G, faster and more reliable wireless broadband connectivity for consumers, and the creation of millions of jobs, billions of dollars in investment, and stronger economic growth.

The Commission also took a bold step in April to increase the supply of unlicensed spectrum: We opened up the entire 6 GHz band for unlicensed use—a massive 1,200 megahertz test bed for innovators and innovation. By doing this, we've effectively increased the amount of mid-band spectrum

available for Wi-Fi by almost a factor of five, which will be a huge benefit to consumers and innovators across the nation, while also protecting incumbent users of this spectrum from harmful interference.

In May, the Commission modernized the rules for the 900 MHz band to help critical infrastructure entities develop and deploy mission-critical broadband services. This new use of low-band spectrum will help us meet the communications needs of industries that provide crucial services, like power, to the American public.

In June, the Commission also started a proceeding aimed at revitalizing the 70, 80, and 90 GHz bands and expanding their use for new services. Putting this long underused, high-band spectrum to use could create new opportunities for reliable 5G backhaul to ferry data from the edge of the network to its core.

Rounding off our progress on spectrum, the post-incentive auction broadcast television transition is nearing a successful conclusion. I am pleased to report that, despite the ongoing pandemic and related work stoppages, 896 of 987 affected television stations—which is over 90% of transitioning stations—have already vacated their pre-auction channels. The result is increased deployment of wireless services, including 5G, throughout the United States using the 600 MHz band. And we expect that almost all stations will transition before their July 3 deadline. I'd like to thank the broadcasters, tower crews, and wireless companies for their work throughout the repack, and extend a special thanks to this Committee for its support. Through our combined efforts, the repack has gone off smoothly. Additionally, Commission staff is working closely with a few individual stations that may not make the deadline due to circumstances beyond their control to devise plans that will ensure a prompt transition and continuation of service to their communities during the ongoing national emergency.

In addition to pushing more spectrum out in the marketplace, we continue to clear regulatory hurdles and facilitate infrastructure build-out, spurring record-breaking capital investments in essential infrastructure, including fiber-optic cables and small cells. Indeed, hundreds of thousands of small cells will need to be deployed each year to meet growing mobile data demands. In addition to its necessity for 5G deployment, these installations (along with new towers) create employment opportunities for skilled workers. And now that T-Mobile's recent acquisition of Sprint is completed, the six-year clock has started for T-Mobile to deliver on its commitment to the Commission to extend its 5G network to 99% of Americans, including 90% of rural Americans.

One issue that I know is important to this Committee is broadband mapping. As you know, Congress passed the Broadband DATA Act, ratifying the Commission's decision last year to require new, granular broadband deployment maps for both fixed and mobile providers. Unfortunately, the law prohibits us from relying on the Universal Service Administrative Company as we had planned to implement that effort and develop new broadband maps—even though we repeatedly warned Congress starting last year that this provision would disrupt our work on improving these maps and prevent us from implementing the new maps without a separate appropriation to cover the significant costs of developing the new maps. As such, the Commission stands ready and willing to implement this measure, but we do not have the \$65 million needed to get that effort off the ground and implement that law through its first year. We want to work with you to appropriate this funding as soon as possible so we can move forward quickly to improve our nation's broadband maps. In the meantime, the Commission will continue to work on rulemakings as appropriate (and allowed and funded), including the consideration of an Order and Further Notice of Proposed Rulemaking at our July open meeting as part of our work to adopt final rules by September's statutory deadline.

As always, the Commission has stood vigilant in fulfilling our consumer protection mission. Our top priority in this regard has been to help consumers avoid COVID-19-related robocall scams. Unfortunately, scammers are promoting bogus cures, offering fake test kits, sending hoax text messages, and generally preying on virus-related fears. In April and May, together with the Federal Trade

Commission, we demanded that multiple gateway providers stop bringing COVID-19-related scam robocalls into the country. We warned that if they did not, they risked being cut off from U.S. phone networks. Our letters worked; each gateway provider told us within 24 hours that it was complying with our demand. Additionally, we've launched a COVID-19 Consumer Warnings and Safety Tips webpage to alert consumers to pandemic-related scam phone calls and texts.

Our decisive action regarding gateway providers comes on top of our already aggressive approach to robocalls—consistently our top source of consumer complaints. We've allowed telephone providers to block suspected, malicious, and illegal calls by default. And in March, the Commission unanimously adopted a Report and Order mandating the implementation of caller ID authentication technology known as STIR/SHAKEN. This technology enables phone companies to verify caller ID information transmitted with a call, helping them identify calls with illegally spoofed caller ID information before those calls reach Americans' phones. This action fulfills one of the major provisions of the TRACED Act—a bill championed by Senators Thune and Markey, and others on the Committee. We are on track with our implementation of the other components of the bill.

Earlier this year, we acted on the outstanding investigatory efforts of our Enforcement Bureau, proposing significant fines against the nation's four largest wireless carriers for selling access to their customers' location information without taking reasonable measures to protect against unauthorized access to that information. We let the carriers know, in no uncertain terms, that they may not disclose their customers' location information to a third party without their customers' express consent. This FCC will not tolerate phone companies putting Americans' privacy at risk.

We continue to protect American citizens and the national security of the United States. At our November 2019 meeting, the FCC unanimously adopted a rule prohibiting USF recipients from purchasing equipment or services from companies that pose a national security threat, and we initially designated Huawei and ZTE as covered companies for purposes of this rule.

But the Commission still needs your help on this issue. Since our last hearing, Congress passed the Secure and Trusted Communications Networks Act, which ratifies the Commission's proposal to require small, rural telecommunications companies to end their reliance on manufacturers that pose national security threats. I strongly support the rip-and-replace requirements Congress mandated, but that mandate came without money. Last November, we estimated a full-scale rip-and-replace program could cost up to \$2 billion—and we ordered an information collection to nail down those costs. As our staff works through the data that's been collected, we want to work with you to ensure that needed funds are appropriated so we can move forward quickly to implement this program and protect our nation's networks from national security threats.

Additionally, February 17, 2020 was the effective date of Kari's Law, which requires all new multi-line telephone systems—commonly used in hotels, office buildings, and college campuses—to directly route 911 calls, without the need to dial a prefix to reach an outside line. This will help save lives by enabling those who need it most to reach help immediately.

Another public safety issue involves suicide prevention and mental health. Suicide rates in this country are reaching levels not seen since World War II. Vulnerable populations are particularly at risk, such as veterans, rural Americans, and LGBTQ youth. Access to trained counselors could make the difference between life and death. And so, consistent with the call of Members of this Committee, we have proposed to designate 988 as a new, nation-wide, three-digit number for suicide prevention and mental health. I intend to ask my fellow Commissioners to adopt final rules making 988 the new three-digit number for suicide prevention and mental health at our July agenda meeting. If this number is implemented, those in crisis will only need to dial a three-digit number to be connected with trained professionals who staff the current National Suicide Prevention Lifeline.

I also want to assure the Committee that we will continue essential projects focusing on American territories. A good example is the \$950 million in long-term funding we approved last year to expand, improve, and harden broadband networks in Puerto Rico and the U.S. Virgin Islands through the Uniendo a Puerto Rico Fund and Connect USVI Fund. This month, we authorized \$233.9 million to three mobile carriers serving Puerto Rico and \$4 million to one carrier serving the U.S. Virgin Islands. This includes approximately \$59.5 million in funding specifically devoted to deploying 5G networks in Puerto Rico and the U.S. Virgin Islands—the first funding the Commission has awarded anywhere in the country that is targeted for 5G deployment.

Finally, I should note there is one auction currently mandated by federal law we are not looking forward to holding. Specifically, the Spectrum Act of 2012 mandates that we auction off parts of the T-band—spectrum from 470-512 MHz, which is currently used by public safety entities in several states. We greatly appreciate the efforts of this Committee, and specifically Senator Markey, in working to repeal this mandate. Our highly skilled economists believe this auction will raise less revenue than the amount needed to clear incumbents from the spectrum. Nonetheless, because of the statutory mandate, our staff has had to divert resources to preparing for an auction process to commence in February—including the preparation of a Notice of Proposed Rulemaking, currently before the Commission, to kickstart the auction process. Bipartisan legislation in Congress would repeal this mandate and address related concerns like 911 fee diversion, and I hope this legislation passes as soon as possible.

As you can see, the FCC has been exceptionally busy, and I expect we will continue to be so for the foreseeable future. We have been able to accomplish all of this due to the talent and dedication of our extraordinary staff who continue to effectively perform throughout the COVID-19 mandatory telework policy. The hard-working men and women of the FCC serve the American public each day with skill and commitment, and I am deeply honored to work alongside them.

I thank you again for the opportunity to be here before you, and I look forward to answering your questions.