

## SUMMARY OF FCC COMMISSIONER AJIT PAI'S DIGITAL EMPOWERMENT AGENDA

Today, high-speed Internet access, or broadband, is critical to economic opportunity, job creation, and civic engagement. But there are too many parts of this country where broadband is unavailable or unaffordable. We need to close this digital divide.

Commissioner Pai believes we must empower Americans living in every community in our nation—from our urban cores to rural towns—with online opportunities. On September 13, 2016, at Cincinnati-based startup accelerator The Brandery, Commissioner Pai proposed a Digital Empowerment Agenda. Here is a summary of his remarks.

1. **Gigabit Opportunity Zones:** To bring broadband and digital opportunity to our nation's most economically challenged areas, Commissioner Pai proposed the creation of Gigabit Opportunity Zones. This would incentivize broadband deployment, spur local governments to streamline regulations, help job creators, and ultimately revitalize neighborhoods. Here's how it would work:
  - a. Any area where the average household income falls below 75% of national median could qualify.
  - b. State and local lawmakers must adopt streamlined, broadband deployment-friendly policies.
  - c. Significant tax incentives would be provided to spur private-sector gigabit broadband deployment.
  - d. Entrepreneurs would be incentivized to create jobs in these zones through a tax credit that offsets the employer's share of payroll taxes.
  
2. **Mobile Broadband for Rural America:** To extend digital opportunity to rural America, where high costs and low population density make the private-sector case for deployment much more difficult, Commissioner Pai proposed a three-step plan:
  - a. Increase the build-out obligations of wireless carriers and incentivize rural broadband investment by extending license terms up to 15 years.
  - b. Move forward with a Mobility Fund Phase II that includes tech-neutral performance metrics, eliminates duplicative support, maintains support where it is needed, subsidizes the deployment of new networks, and sizes the Fund based on current needs.
  - c. Create a "rural dividend" to supplement existing funding sources by setting aside 10% of the money raised from spectrum auctions for the deployment of mobile broadband in rural America.
  
3. **Remove Regulatory Barriers to Broadband Deployment:** To ease the path for the private sector to deploy next-generation broadband networks in their communities, Commissioner Pai proposed concrete ways to streamline the nation's approach to siting and deployment.
  - a. The FCC should use its existing authority under sections 253 and 332 of the Communications Act and section 6409 of the Spectrum Act to remove state and local barriers to deployment, such as unfair and unreasonable fees.
  - b. The FCC should reform its pole attachment rules to reduce the costs of deployment, and Congress should give the agency additional authority over poles owned by governments and railroads.
  - c. The FCC should develop a model code for communities that want to encourage broadband deployment for their citizens and to attract new businesses and startups.
  - d. The federal government should speed the deployment of broadband on federal lands—which often impacts our most rural communities—by adopting shot clocks for action, minimizing fees, and mapping federal assets, among other steps.
  - e. Government officials should adopt "dig once" policies so that broadband conduit is deployed as part of every road and highway construction project.
  
4. **Promote Entrepreneurship and Innovation:** To foster innovative services and business models, Commissioner Pai called on governments at all levels not to impose old rules on new industries.
  - a. When it comes to regulation of new Internet-based services or products, government shouldn't aim to shoehorn them into old regulatory frameworks. Instead, the litmus test should be whether consumers are benefiting from these innovations. This test applies across the board, from ride-sharing to room-sharing companies, automobile entrants to genetic testing startups.
  - b. The government should seek to promote entrepreneurs' access to capital. It should increase the appeal and availability of investment through crowdfunding. And it should consider investment-related proposals from the bipartisan Startup Act, such as an R&D tax credit and long-term capital gains exemption.