

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services*, WC Docket No. 17-206.

With today's *Order*, we take another step toward closing the digital divide in rural America. The details are no doubt wonky but the result is straightforward: we're making broadband cheaper for many rural Americans.

Over the years, the FCC has consistently declined to impose Universal Service Fund (USF) contribution obligations on broadband Internet access services. But under our current rules, one and only one class of broadband providers—rural carriers that offer certain broadband Internet access transmission services—are required to contribute to the USF based on those offerings. In other words, these small, rural carriers—which serve areas that are already among the most difficult and expensive to serve—have to pay broadband taxes that their competitors don't. And these small, rural providers have no choice but to pass those taxes on to their customers, who as it is tend to have less ability to pay than their urban counterparts.

Today, we end this discriminatory treatment. Specifically, we relieve rural carriers from having to pay USF taxes on their common-carriage broadband Internet access transmission services. And in the process, we lower the cost of broadband for their customers. Indeed, these consumers could see savings of \$7.00 or more on their monthly bills for Internet access.¹

This win for rural consumers would not have been possible without the hard work of Commission staff. I'd like to thank Claudia Fox, Trent Harkrader, Kris Monteith, Ryan Palmer, Arielle Roth, Karen Sprung, and Suzanne Yelen of the Wireline Competition Bureau as well as Malena Barzilai, Billy Layton, Rick Mallen, and Linda Oliver from the Office of General Counsel.

¹ See *Petition for Forbearance of NTCA—The Rural Broadband Association and the United States Telecom Association*, WC Docket No. 17-206, at 16 (filed June 14, 2017); *Comments of WTA – Advocates for Rural Broadband*, WC Docket No. 17-206, at 3 (filed Sept. 12, 2017).