



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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STATEMENT OF FCC COMMISSIONER AJIT PAI ON THE LATEST EVIDENCE THAT REGULATING THE INTERNET WILL REDUCE BROADBAND DEPLOYMENT AND COMPETITION

In recent days, we have seen even more evidence that President Obama's 332-page plan to regulate the Internet will deter broadband deployment, depress infrastructure investment, and diminish broadband speeds in the United States. This evidence also shows that the President's plan will lead to less competition and leave Americans with fewer broadband choices.

An independent research study released this morning by the Internet Innovation Alliance shows that the bipartisan, light-touch American regulatory model embraced since the Clinton Administration has been far more successful than the Title II-style approach imposed in Europe. For example:

- In 2011 and 2012, fixed broadband providers in the United States invested **\$137 billion** into building and expanding their networks. During those same two years, fixed broadband providers in Europe only invested **\$31 billion**.
- In 2011 and 2012, mobile broadband providers in the United States invested **\$55 billion** into upgrading their wireless networks. During those same two years, mobile broadband providers in Europe only invested **\$29 billion**.
- In the United States, **76%** of households are located in areas with three or more fixed broadband providers. In Europe, by contrast, most households do not have access to *any* facilities-based broadband alternative to the incumbent network operator.

This study confirms earlier research showing that the Title II-style regulation of Europe yields less investment and slower broadband. For example:

- In 2011 and 2012, **82%** of United States households had access to broadband speeds of 25 Mbps or higher, including **48%** of rural households. During those same years, only **54%** of European households did, including just **12%** of rural households.
- In 2012, 4G LTE deployments covered **86%** of Americans. During that same time period, only **27%** of Europeans had access to LTE.
- In 2013, average mobile connection speeds in the United States were **30% faster** than those in Europe.

As a consequence, *The New York Times* has reported that "the lack of ultrafast Internet access in much of Europe has placed local companies at a disadvantage in the digital world compared with their rivals in North America and Asia." This raises a critical question. Why would we want to enact President Obama's plan to import European-style regulation into the United States? The FCC should not scrap a system that's proven to be better for American consumers and entrepreneurs.