

**REMARKS OF FCC COMMISSIONER AJIT PAI
TO THE NATIONAL ASSOCIATION OF FARM BROADCASTING CONVENTION**

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In 1978, legendary radio broadcaster Paul Harvey made a speech to a Future Farmers of America convention that came to be known as “So God Made a Farmer.” And 35 years later, an excerpt from that speech was played during a Super Bowl commercial for the Dodge Ram. In that commercial, Harvey said: “And on the 8th day, God looked down on his planned paradise and said, ‘I need a caretaker.’ So God made a farmer. God said, ‘I need somebody willing to get up before dawn, milk cows, work all day in the fields, milk cows again, eat supper, then go to town and stay past midnight at a meeting of the school board.’ So God made a farmer.”

The response to this commercial was extraordinary. Within five days, it was viewed online more than ten million times. More than a few of those views were my own. Why did the advertisement strike such a chord? In part, I believe it was because it brought together an iconic American radio voice with an iconic American way of life. And it reminded Americans of a critical segment of our society that these days is too often forgotten.

Of course, that link between farming and radio is nothing new. From the earliest days of commercial broadcasting, farmers and radio have been peas in a pod. In the early 1920s, radio broadcasters took to the airwaves to relay weather and market reports to farmers and grain dealers. One example was KDKA in Pittsburgh, a station that I had the privilege of visiting a couple of years ago. On May 19, 1921, KDKA broadcast the first agricultural market reports over radio around six months after the station aired the nation’s first commercial radio broadcast. And in case you are curious: On that date, eggs were selling for 30 cents a dozen, butter was 37.5 cents a pound, and potatoes were \$1.75 a bushel.

Radio soon proved to be a much more efficient and reliable way to distribute market information than other available technologies. Small wonder, then, that the ag sector quickly became among radio’s most loyal listeners. And the radio industry took notice. In 1922, Frank Mullen at KDKA became our country’s first full-time farm broadcaster, and farm broadcasting quickly spread like crabgrass across the country.

Nearly a century later, farm broadcasting remains serious business. From coast to coast, over 1,300 stations provide up-to-the-minute information about agricultural markets and weather to farmers and ranchers. A lot has changed since those first broadcasts in the 1920s. But one thing has not: farm broadcasters’ commitment to their local communities. You develop programming not only based on what your listeners *want* to hear, but what they *need* to hear. In fact, according to one 2014 survey, 84% of farmers consider broadcasting to be important to their daily decisions and overall management of their operations.

The lesson is clear: America’s 3.2 million farmers and ranchers continue to rely on farm broadcasters, as do many others who live in rural America.

And much of the programming upon which they depend is found on the AM dial. Take KFRM 550 AM, in my home state of Kansas. KFRM is located in Salina, 170 miles west of Kansas City. It defines full-time farm radio, with 30 commodity and livestock reports daily, several weather updates per hour and a number of industry-related programs, including Kansas Journal Entry, Plain Talk, AG Perspectives, and The Downing Report.

The service that KFRM and so many other AM broadcasters provide is invaluable. A meeting with one farm broadcaster drove home that point to me when we met in 2013. He lived in Durand, Wisconsin, a small town of 1,900 people between Madison and Minneapolis. In 2012, he brought

WRDN, Reel Country 1430 AM, back to life after five years of radio silence. When he visited my office, he gave me a packet of letters from Durand residents explaining what WRDN meant to them. He asked me to look at them when I had the time. I'm not sure if he actually expected me to read them, but I did.

And what I found was revealing. The superintendent of the Durand School District wrote to tell me that WRDN covered Durand High School athletic events. An official with the Durand Fire Department let me know how important it was to have a local radio station broadcasting emergency information. A pastor explained how WRDN aired his church's weekly worship service for those who were homebound and couldn't attend in person. One resident put it well when he wrote that when WRDN was off the air before 2012, "a sense of community was partially lost." WRDN also serves the needs of the area's farmers. It airs several ag-specific programs: America's Dairyline, National Farm Report, Agri-Talk, and Market Rally—to name a few—as well as hourly market updates and weather information.

Most of you probably realize by now that the broadcaster who visited me that day was Brian Winnekins, your president-elect. As Brian told me about his experiences operating WRDN, he became choked up. And while his words influenced me, his emotions had a more profound effect. They showed his passion for community service in a way that no speech could. So this morning, I'd like to thank Brian not only for his service to the people of Durand, but also for his strong advocacy on behalf of a cause that is close to my heart: the revitalization of AM radio.

When I was born, AM radio accounted for approximately half of all terrestrial radio listening. But today, that's less than 20%. The number of AM stations is declining, and AM stations' advertising revenue is dropping as well. What's responsible for these trends? Most importantly, every day it seems harder to receive a quality AM signal. That's why three years ago I said it was time for us to take a hard look at our AM radio rules. It had been over two decades since the FCC had last comprehensively reviewed its AM radio regulations. So I thought that the time had come for the FCC to revitalize AM radio.

In the last three years, AM radio revitalization became a cause that garnered widespread support from large and small broadcasters, civil rights organizations, Democrats, and Republicans. And the response didn't have anything to do with me. Instead, it reflected the enduring importance of AM radio.

AM stations define localism, as exemplified by WRDN in Durand, by other farm broadcasters, and by so many other stations in large cities, suburbs, and small towns across our country. Further, AM radio is the most diverse broadcast service in our country. Most minority-owned stations are located on the AM dial and many AM stations carry a wide variety of foreign-language programming. And finally, if anyone still disputes AM radio's ongoing value, here's what I consider to be the most compelling evidence. Most radio stations that broadcast the games of America's Team, the 2015 World Series Champion Kansas City Royals, can be found on the AM dial, including KLKC 1540 AM in my hometown of Parsons.

For these reasons, I was excited this fall when we achieved a big victory in our effort to revitalize AM radio. In an order adopted unanimously by the FCC last month, we finally delivered some relief to struggling AM broadcasters. First, we reformed many of our technical rules pertaining to the AM band. These changes will make a real difference to AM broadcasters. Eliminating the so-called "ratchet rule" will make it easier for them to improve their signal quality. Modifying our daytime and nighttime community coverage standards, along with minimum efficiency standards, will give them more flexibility when it comes to site location. And the use of Modulation Dependent Carrier Level control technologies will allow them to cut their operating costs.

Second, we gave AM broadcasters additional opportunities to acquire FM translators, including through two exclusive windows. To start, we'll open a window in 2016 in which AM stations will have greater flexibility to move an FM translator purchased in the secondary market. And then, in 2017, we'll

give those AM stations still without an FM translator a chance to apply for a new one. I'm optimistic that this two-prong plan will accomplish our goal of distributing FM translators to as many AM stations as want them.

Over the last three years, AM broadcasters from across the country have told me about the importance of the FM translator window proposal. Of course, FM translators will not solve the AM band's problems, but they are a critical bridge to the future for AM stations as we go about addressing the band's long-term challenges. Translators have helped AM stations boost listenership and advertising dollars in a major way. But unfortunately, too many AM broadcasters haven't been able to find FM translators, so Commission action was needed.

And speaking of those challenges, I hope the FCC will continue to work on fixing the band's long-term problems. In the FCC's recent AM radio order, we asked for public input on a number of additional proposals for revitalizing the AM band. I encourage the National Association of Farm Broadcasting to weigh in on these proposals. I also encourage your organization and others who care about the future of AM broadcasting to suggest additional ideas for the Commission's consideration. For while the Commission's first step was a big one, we still have a long way to go before the job is done.

Shifting gears, farm broadcasting isn't exclusive to the AM band; it's alive and well on the FM dial as well. Now, FM broadcasters don't face the same technical challenges that their AM brethren do, but, just like AM stations, they face increased competition. In today's media marketplace, consumers have more choices than ever before, and that's certainly true when it comes to audio. Moreover, in the hunt for advertising dollars, the competitors aren't just from the audio business. A lot of outlets for digital advertising are now available that didn't exist a decade ago.

Accompanying this rise in competition has been a profound change in consumer expectations. Consumers, especially younger ones, increasingly expect to hear what they want when they want on the device of their choosing. Broadcasters cannot sit back passively and expect their audience to come to them. Instead, they have to meet consumer demand. Many broadcasters are doing that, embracing their entrepreneurial spirit, packaging their content in different ways, and delivering it through a variety of means. Internet streaming and podcasts are good examples of this.

Mobile, of course, is a large part of where consumers are these days. In less than a decade, smartphones and tablets have gone from being something of a novelty item to indispensable parts of our daily lives. In particular, it seems as if most teenagers now have a mobile device surgically implanted into their bodies. And kids are getting started much younger. My four-year-old son, for example, can already skillfully navigate my iPhone.

And where consumers go, advertising dollars will follow. A recent estimate saw mobile advertising growing quickly, from 2.6% of total media advertising to 26.4% over just six years. Assuming that trend continues, a mobile strategy is a must for anyone counting on that revenue stream.

As a result, radio broadcasters are trying to figure out how best to reach mobile consumers. And that brings me to the issue of the FM chip. Virtually every smartphone sold in North America today contains an FM chip. But unlike in Europe, that chip isn't activated in most phones. I have to say that as a consumer, I would love to have the functionality of being able to listen to FM stations over the air through my smartphone. And I suspect that many farmers who increasingly rely on smartphones in the field would appreciate that functionality too.

Activating FM chips would have a public safety benefit as well. Last year, the head of the Federal Emergency Management Authority spoke about the benefits of having active FM chips in smartphones when disaster strikes. Without it, he said, if the wireless network goes down, "your smartphone becomes a brick." So, for example, when tornadoes strike towns here in the Midwest, FM chips could be vital to keeping the public informed both during and after the emergency.

For these reasons, I'm glad that the market is beginning to move in a positive direction. Sprint offers a wide array of devices with activated FM chips. Virgin Mobile and Boost Mobile also provide this option. AT&T announced in July that they will include FM chip activation in their 2016 smartphone device specifications. And T-Mobile announced in August that it will work with its handset partners to activate FM chips as well. I applaud all of these carriers for stepping up to the plate.

Now, from time to time, there's been discussion about whether government should become involved in this issue by imposing a mandate upon wireless carriers to activate FM chips. But I don't believe that it is the place of the government to intervene here, especially given the robust competition we see among wireless carriers. In February, I said that if there was consumer demand for activating FM chips—and I believed that there was—I was optimistic that we would continue to see progress on this issue as a result of commercial negotiations and competitive pressure in the private marketplace. And recent developments involving AT&T and T-Mobile have only strengthened my optimism and belief that the private sector can and will resolve this issue.

The last issue that I want to touch on this morning is a topic of growing importance to the rural communities that you serve. While broadcasting is and will continue to be critical to rural America, broadband is also vitally important. Increasingly, it seems almost every aspect of our lives is becoming “connected” through the Internet of Things—smart cars, smart watches, smart cups (that last one is no joke; it can tell the difference between a Coke and a Pepsi). And that's also true for rural Americans.

One example is precision agriculture, which is bringing Big Data to the fields. Unmanned aerial vehicles, variable-rate application seeding, and in-cab computing solutions are changing the way farmers do business. I had a chance to see some of these technologies firsthand at Clear Meadow Farm in White Hall, Maryland. They are helping farmers boost their bottom lines by increasing productivity and cutting costs, leading to economic growth in U.S. agriculture.

Just last week, John Deere announced the acquisition of Precision Planting from Climate Corporation, which will allow the two companies to collaborate on new technologies that will provide farmers with “exclusive[,] near real-time data connectivity” between John Deere equipment and Climate's FieldView platform.

And with this increase in connected technology comes an increased need for broadband. A high-speed Internet connection is essential for machine-to-machine communications—communications that make it possible to boost productivity and manage costs.

And of course, the need for broadband in rural communities goes beyond the farm itself. Those living in rural America need it in order to compete in the digital economy. But when it comes to broadband deployment, too many rural Americans are currently on the other side of the digital divide.

Building and expanding high-speed broadband networks in sparsely populated areas of rural America isn't easy. But the private sector has the determination and ingenuity to get the job done. I've seen that in my travels throughout rural communities, from Diller, Nebraska to Carthage, Mississippi. These companies just need the FCC to be a 21st century ally rather than a 20th century hindrance. One way we can do this is by modernizing some outdated rules that stand in the way of rural broadband providers offering stand-alone broadband service—the kind of service many urban Americans take for granted.

Back in June, I put a specific and simple plan on the table for doing just that. Moreover, every Commissioner has committed to the Senate Commerce Committee that we will fix this problem by the end of the year. Time is running short on fulfilling that commitment, and I certainly don't believe that we should renege on it. Too many individuals in too many rural towns have waited too long for the broadband revolution to reach them. They don't need more roundtables and rhetoric from Washington, DC. They need us to act now so that they can have online opportunities comparable to those you can find in the big city.

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In closing, I want to thank you for all that you do for your communities. And at the risk of heresy, I'd like to suggest a new ending to Paul Harvey's "So God Made A Farmer" speech: "For after making a farmer, God must have said: 'I need someone who will get up before dawn to let the farmer know when that snowstorm will blanket his fields. I need someone who will tell that farmer, every hour, on the hour, how commodity markets are wiggling like a water moccasin. I need someone who will make the furrows on a farmer's brow ease as he hears the broadcast of his son's high school football game, who will calm his heart as he hears the church service he can't attend because the fields need tending.' So God made a farm broadcaster."