

The Federal Government Should Be Careful When Appropriating Additional Broadband Funds

We the undersigned organizations urge both the House and Senate to carefully assess how any funds are designated to broadband under a negotiated infrastructure package. A current proposal to spend more than \$60 billion on broadband infrastructure comes at a time when America is already facing unprecedented debt and deficits and has provided billions to states for broadband investments.

Congress Should Not Spend Funds Where the Private Sector Will Invest

America's debt currently exceeds \$23 trillion, more than 100 percent of the nation's GDP. The recent \$1.9 trillion stimulus package is already sending billions of dollars towards broadband at the state and local level that has yet to be spent as well as the nearly \$10 billion that has been allocated by the Federal Communications Commission (FCC). Taking on additional debt before previous funds have been spent is fiscally irresponsible.

The telecommunications industry has spent \$1.8 trillion over the last 20 years in infrastructure investment connecting Americans to high speeds, both wired and wirelessly. This investment shows no signs of slowing down, as companies just spent a record \$80 billion to acquire use of the C-band, which is being discussed as a funding source for broadband investment. Investment is also taking off, with innovative companies like Starlink on track to cover the nation with broadband quality internet by the end of 2022. With the private sector investing heavily in closing the digital divide, government spending must be limited and targeted.

Congress Should Only Spend After the FCC Has Created Accurate Maps

There is widespread agreement that current FCC maps paint a less than fully accurate picture of where in America has or doesn't have connectivity. The FCC has wisely held off deploying the rest of their RDOF funds until more accurate maps are created. Congress should follow that lead.

Any Spending Must Focus on Unserved Areas and Be Technologically Neutral

When examining the data its clear rural areas struggle the most with lack of broadband access. The causes are diverse, ranging from geography and economic factors to low adoption rates. Spending by the FCC has rightly focused funds to unserved areas to provide an option to millions of Americans. At least one proposal for more federal spending would turn this concept on its head. Instead of targeting funds to unserved areas, it would focus on creating “future proof” networks which translates to investments only in fiber, including in already served urban and suburban areas. While fiber remains an important part of America's broadband infrastructure mix, it is ill suited to reach many people in unserved areas. If the government is to provide funding, it should focus funds on unserved areas through whatever technology is best suited to reach those households and businesses.

Any Plan Should Avoid Funding Government Run Networks

The undersigned groups represent a diverse array of states. Yet despite our state’s unique differences, we have all experienced the failure of government owned networks. The claims that broadband service is similar to sewerage and water service ignores some key differences between the services. Internet networks take continuous investment and maintenance, and the number of competing providers is ever growing. Sewerage and water, meanwhile, enjoy the benefits of government monopoly. Internet service has evolved dramatically over the last 20 years, while water and electricity has remained mostly stagnant. Too often, municipalities spend millions of taxpayer dollars building government networks that fail to attract enough customers to cover the costs. These municipalities are either left saddled with networks that are losing money or forced to sell to private companies. Furthermore, government run networks are hardly ever built-in areas where customers lack service. Instead, they are attempts to compete with the private sector that rarely go well. With a quickly evolving communications industry landscape, spending billions on these networks is a bad investment.

Red Tape Must Be Removed to Ensure Taxpayers See Maximum Return on Investment

Federal, state, and local governments are already spending billions on broadband connectivity. But too much of these funds end up spent on fees or expensive studies. The FCC has wisely worked to end many of these costly barriers to closing the digital divide, but any additional spending must also be accompanied with additional regulatory reform. Shot Clocks for applications, streamlined permitting processes for both wireline and wireless technology, and waiving of environmental or historic preservation review are just a few examples of necessary regulatory reforms that must be paired in the case of any additional spending.

The government can play an important role in filling in the gaps in the unserved areas of our country. However, spending billions of dollars is not only fiscally irresponsible; it will not close the digital divide. America's internet infrastructure is one of the best in the world because of investment by the private sector and once again, the private sector must lead the way.

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