FCC Chairman Ajit Pai and the ISPs are lying about broadband investment.

VOICES FOR INTERNET FREEDOM

FACT 1

Since the 2015 Open Internet Order reclassified broadband as a Title II service, internet service providers and the internet economy as a whole have continued to invest.

Within the two years following the FCC's vote:
- Two-thirds of publicly traded ISPs increased their capital spending.
- Publicly traded ISPs spent approximately 5 percent more on capital investment.
- Core network spending for cable-company ISPs increased by 48 percent, a rise that included the highest single-year jump in network investment since 1999.
- In terms of actual deployment, the number of census blocks with two or more ISPs offering download speeds of at least 25 Mbps increased by 42 percent.
- The percentage of people with access to at least one wired ISP offering 300 Mbps or faster download speeds more than doubled, from 10.5 percent to nearly 23 percent of the population.

Companies that depend on internet access are thriving:
- In 2016, capital investment for data-processing services (a Census Bureau category that includes Amazon Web Services and video-streaming sites like Netflix) increased by 26 percent.
- There has been a 133 percent increase in new online video services since the Order.
- Since the FCC's vote, there has been a burgeoning market for new internet services like DirecTV Now and SlingTV that compete directly with traditional cable and satellite-television packages.

FACT 2

Chairman Pai is manipulating the data to support a false narrative that investment is suffering under Title II.

Pai used the FCC's 20th annual wireless report to export these lies to Congress:
- The report shows a decline in wireless investment between 2015 and 2016, a decline that Chairman Pai has publicly blamed on Title II reclassification.
- In fact, AT&T's completion of LTE deployments almost completely drove this decline.
- Previous wireless reports also show that wireless investment peaked in 2013 as carriers completed the bulk of their 4G LTE deployments, and it has declined ever since.
- Previous reports showed changes in investment over several years, but Pai's FCC scrubbed that data from the 20th report, showing only a single year.
- Chairman Pai rejected Commissioner Clyburn's request to include the missing data. As Clyburn explained:

"These statistics demonstrate that there must be other factors, other than the Open Internet Orders, that account for why wireless carriers decreased their investment in their networks."

FACT 3

ISPs are exploiting communities of color to further a false narrative that marginalized people must choose between openness and access.

ISPs falsely claim that they won't be able to serve communities of color under Title II:

- They claim Title II makes investment riskier, thereby reducing incentives to deploy broadband to customers — particularly people of color — in poor and rural areas.
- However, as noted above, ISPs have continued to invest post-Title II.
- Many providers completed deployment projects ahead of schedule, offering improved high-speed access to more people even sooner than expected.
- These lies suggest that people of color must choose between having Title II protections against ISP abuses, or having any access at all. This is a false choice.

The focus on deployment ignores the critical affordability factor of the racial digital divide:

- The Free Press report Digital Denied shows that while communities of color face discrimination in broadband deployment, this gap isn't enough to fully explain the severity of the racial digital divide.
- Many people of color have access to broadband, but are unable to afford service.
- Instead of addressing affordability, ISPs are demanding that people of color sacrifice open-internet protections to "earn" broadband access, which is largely already available to them, but at exorbitant prices many cannot afford.

FACT 4

Broadband investment is cyclical and impacted by many factors, including growing demand and rapid technological development.

- The Free Press report It's Working examined investment data for individual providers, and found that any investment declines were planned long before the 2015 Order.
- No providers attributed investment declines to the 2015 Order.
- ISP executives, including those from Charter, Comcast, Frontier and T-Mobile, indicated to investors that the Order would have zero impact on investment.
- Investment dips are a natural part of the investment cycle as providers finish major deployments and switch into "harvest mode."
- Previous FCC reports included cautionary language discouraging people from placing "too much emphasis on absolute capital expenditures at any given point in time."
- Chairman Pai stripped this customary context from the 20th report and proceeded to to push a fact-free narrative attacking the 2015 Order.

As AT&T attested in comments filed in the FCC's 2010 wireless-report docket:
"There is no reason to expect capital expenditures to increase by the same amount year after year. Capital expenditures tend to be 'lumpy.'" —AT&T

Sources:

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