Follow These Rules to Close the Digital Divide

The Information Technology and Innovation Foundation has laid out a set of tenets for policymakers to make the most of available funding and ensure the effective use of new federal broadband funds.

By Jessica Dine / *Information Technology and Innovation Foundation*

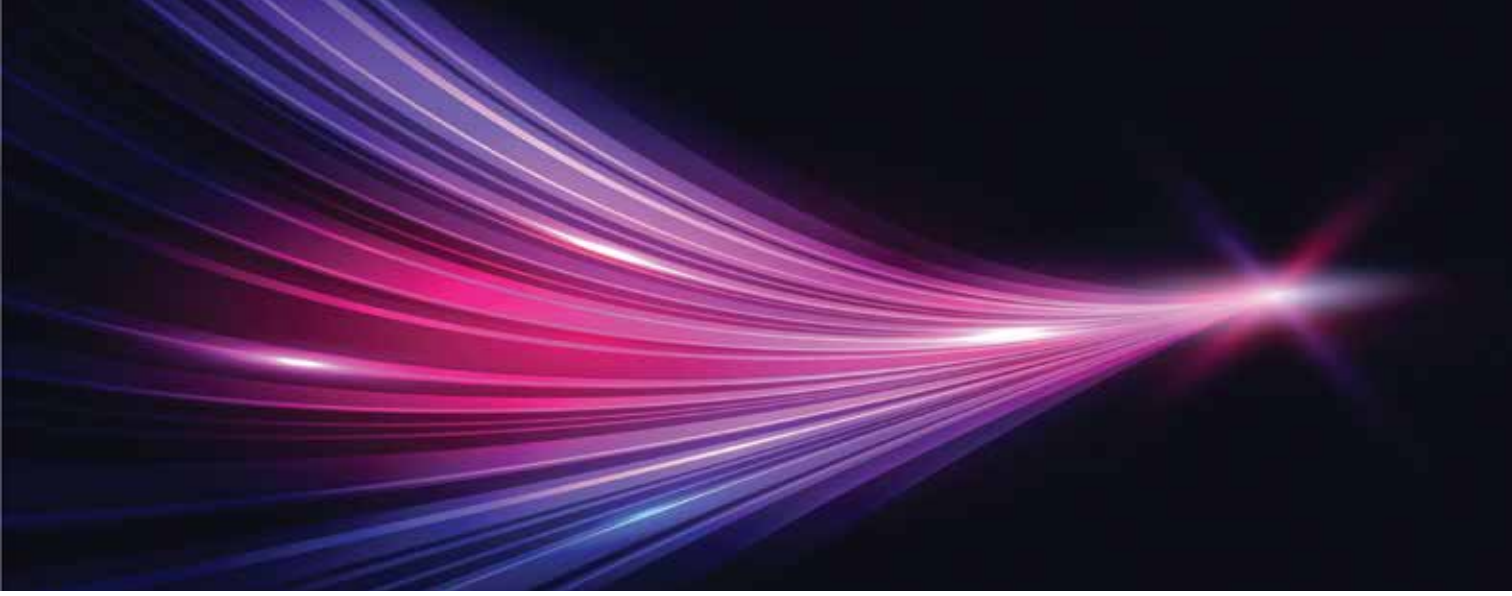
The abundance of broadband funds provided through the American Rescue Plan Act and the Infrastructure Investment and Jobs Act (IIJA) offers the potential for closing gaps in digital connectivity once and for all if funds are used effectively. If they are distributed poorly, the nation risks going back to the drawing board with continuing gaps in broadband access even after allocating billions of dollars to close them. States have varying degrees of readiness for this funding, and sound advice will come from multiple quarters. Still, the prominence and magnitude of the budget will likely draw unhelpful suggestions and self-interested advocacy out of the woodwork.

The Information Technology and Innovation Foundation (ITIF) laid out several fundamental tenets that policymakers must observe to make the most of the available funding and to ensure effective use of funds. They will help stretch each dollar of the forthcoming funds to its maximum potential. The dollar amounts prescribed for broadband may seem immense, but they are not unlimited, and their magnitude increases the potential opportunity cost of unproductive distribution.

Effective use of funds should begin with initial project selection, which states should conduct through reverse auctions. The FCC regularly uses reverse auctions to distribute various broadband subsidies. Compared with a traditional bureaucratic assessment of broadband proposals, auctions hold several key advantages: they are objective, flexible, comprehensive processes that harness the information-gathering capabilities of the market. They also encourage providers to compete for the cheapest ways of serving customers by gradually lowering prices offered for completing particular tasks. States can free their resources by leaning on the market to bring the best plans to the fore while ensuring minimum standards through thresholds for quality and price benchmarks, such as the FCC's Urban Rate Survey.

AVOIDING OVERZEALOUS RESTRICTIONS

Though quality thresholds are crucial, policymakers should be careful not to set overzealous restrictions. Service requirements should be technology-neutral; each medium of broadband provision has unique advantages and disadvantages. For example, developments such as low-Earth-orbit satellites may be better suited for providing fast, cost-effective service to citizens in remote places than would mandating that expensive fiber be installed in every inch of the country. Prioritizing one technology over another will increase the cost of serving all Americans and risk stifling future investment in potentially viable technologies.



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Similarly, speed benchmarks should be set in the spirit of what will benefit consumers. The U.S. speed test average already exceeds bandwidth requirements for commonly used applications such as Zoom and YouTube, and, on average, consumers do not need or benefit from symmetrical speeds. Download speeds will remain more important than upload speeds while the volume of the downloadable internet exceeds the amount of material a consumer might realistically produce to be uploaded. A speed threshold of 100 Mbps download and 10 Mbps upload, or the IIJA's 100/20 Mbps threshold, would reasonably ensure that Americans get broadband sufficient for their everyday needs while not crowding out usable technologies in favor of exorbitantly expensive projects that fail to achieve universal coverage.

Realistic speed thresholds will also help guard against overbuilding, which is another potential misuse of funds that policymakers should avoid. Until extant gaps in coverage are adequately funded, overbuilding in areas with preexisting usable broadband takes funds from those who need it and gives it to spaces that can be (and have been) served without additional support. In addition to a workable definition of broadband, identifying unserved areas requires accurate maps, which the FCC is in the process of building. But policymakers should avoid overreliance on static maps, which rapidly age into inaccuracy; instead, they should expect and account for some level of inaccuracy by allowing providers to challenge findings if there is evidence that certain areas are unserved.

ENCOURAGE COLLABORATION, TRANSPARENCY

In addition to ensuring reasonable allocation from the outset, states can reshape the regulatory landscape to reduce unnecessary expenses. Multiple iterations of co-occurring grant distributions means that states should be able to benefit from collaboration, look to one another for good ideas, and avoid repeating mistakes. To facilitate this, plans should be publicly reported as they progress, encouraging collaboration and ensuring that programs are designed to stand up to public scrutiny. The government can also promote cooperation and transparency through National Telecommunication and Information Administration (NTIA) webinars by including areas where states request additional assistance.

Regulatory barriers to deployment, such as overzealous fees and costly administrative hurdles, should be minimized to ensure that most funding is channeled toward actual broadband deployment, not sunk into regulatory costs. States can mitigate financial burdens through statewide policies requiring local governments to streamline their regulatory processes through time limits on construction permit approval, caps on right-of-way fees, and dig-once policies.

Finally, targeted allocation of funds may lead to some leftover money after the winning projects are selected. Excess funding can be best used by funneling it directly toward citizens. In areas where adoption, not access, is the actual barrier to connectivity, something such as flexible-use vouchers can fill in the cracks by mitigating the cost of computers, broadband subscriptions, or classes on digital literacy and helping everybody get online.

The recently allocated broadband funds can be the one-time infusion necessary to connect all Americans to the digital economy, but this depends on using the money wisely. Following these and the rest of the 10 commandments to close the digital divide will help states economize on the funds and use them to their fullest potential. ❖

Jessica Dine is co-author of "Ten (Suggested) Commandments for Closing the Digital Divide" and a research assistant at the Information Technology and Innovation Foundation.