

# **DAY** **ONE** **PROJECT**

## **Promoting Transparency and Competition in the Broadband Market**

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Coalition**

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## Summary

The Biden Administration should (i) direct the Federal Communications Commission (FCC) to take simple administrative steps to promote transparency in the broadband-internet market and (ii) allocate funds through competitive grants and low-interest loans to projects that will increase broadband-market competition. Transparency, funding, and competition will lead to lower prices for consumers and greater adoption of residential broadband. The latter has been proven to increase economic competitiveness while also supplying myriad other social benefits.<sup>1</sup>

## Challenge and Opportunity

The COVID-19 pandemic proved that in today's world, reliable internet access is a necessity rather than a luxury. But in Cleveland, OH, roughly 46% of residents face barriers to high-speed, reliable internet.<sup>2</sup> Poor internet access has resulted in crisis for many Clevelanders struggling with the social, economic, and health impacts of COVID-19. Public-school students without reliable internet are struggling to learn; Clevelanders who have been displaced from their jobs are unable to participate in employment training or upskilling programs; older Clevelanders who live around the corner from leading hospitals are unable to access critical health care; and many people in nursing homes or who lack access to a car are unable to virtually visit with loved ones.

Though these issues have worsened during the pandemic, the underlying situation is longstanding. As recently as 2019, more than 78,000 Cleveland households still did not have cable, DSL, or fiber internet subscriptions at home. Very small and minority-owned businesses face similar internet-access challenges.<sup>3</sup> Local stakeholders have thrown tens of millions of dollars and resources at the internet-access problem for years. But deficiencies with the existing market structure means that these efforts have barely moved the needle. Internet service providers (ISPs) refuse to build out internet infrastructure to all Cleveland neighborhoods equitably due to poor return on investment in lower-income or otherwise challenged neighborhoods. When broadband is offered in these neighborhoods, it is not offered at a reasonable price. Residents of many of our neighborhoods are forced to decide which is the lesser of two evils: DSL service that does not provide adequate speeds for their needs or cable service that they cannot afford.

As the worst-connected big city in the United States, Cleveland provides a particularly acute example of issues related to broadband access and price that face millions of people across the country. The status quo fails digitally excluded populations across the country, urban and rural alike. The federal government can and must intervene to promote transparency and competition in the broadband market.

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<sup>1</sup> Tomer, A.; et al. (2020). [Digital prosperity: How broadband can deliver health and equity to all communities](#). Brookings, Metropolitan Policy Program. February 27.

<sup>2</sup> U.S. Census Bureau. (n.d.). 2019 American Community Survey 1-Year Estimates, Table B28003. Data generated by Curt Williams using data.census.gov.

<sup>3</sup> Ibid.

## Plan of Action

The Biden Administration should direct the FCC to enact a series of transparency measures that make it easier for all interested parties to understand where broadband is currently offered and at what price and speed. Specifically, the FCC should:

- **Start strictly enforcing ISP price transparency rules** per the FCC's 2018 Restoring Internet Freedom Order. It is currently too difficult to determine how much consumers pay for their internet services due to promotional prices, hidden fees, and other arcane charges that ISPs tack onto monthly bills. The FCC should ensure that ISPs disclose prices clearly and prominently on a publicly available and easily accessible website, or by submitting prices to the FCC for posting.<sup>4</sup>
- **Release unredacted copies of performance reports of eligibility-based internet-service plans**, such as the AT&T Access and Spectrum Assist semi-annual performance reports that specifically affect Cleveland. Access to these reports will allow stakeholders to assess internet uptake and use in low-income communities when cost is less of a barrier.
- **Schedule release dates for all overdue 477 Internet Services reports** (i.e., reports from June and December 2019), and change the formats of these reports to include (i) more speed benchmarks, and (ii) the specific household adoption percentage for each benchmark for each tract (rather than a range). The 477 Internet Services reports currently serve as the public's sole comprehensive source of information on broadband coverage. These reports must be delivered on time and in as useful a format as possible.

The Administration should also direct the National Telecommunications and Information Administration (NTIA) to **provide a public online listing and map(s) of Broadband Technology Opportunities Program (BTOP)-funded networks** that are still bound by open-network obligations, along with a public explanation of those obligations. This action will give burgeoning internet providers a historical perspective on past federal funding endeavors to learn from.

Beyond these simple administrative steps, we also urge the FCC to formally implement a broader effort to collect data related to broadband access. Such an effort was mandated by Congress in 2020 through the Broadband DATA Act. We hope that the Administration uses this Act as only a starting point. The FCC should consider expanding its data-collection activities to cover information on broadband deployment, adoption, performance, competition, and pricing, as well as on anchor institutions, specialized networks, and international benchmarks. (For more on this

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<sup>4</sup> Restoring Internet Freedom Order, 47 CFR § 8.1 (a)

topic, see the October 2020 [Day One Project memo](#) authored by Levin, Rosston, and Wallsten.<sup>5)</sup>

Better data will allow the federal government to make better funding decisions in competitive grant programs — such as the Connect America Fund (CAF) or Rural Digital Opportunity Fund (RDOF) — where funding decisions are currently informed by faulty data and where few accountability measures are in place.<sup>6</sup> The administration should use collected data to inform future allocations of funds through the CAF, RDOF, and the FCC’s Universal Service Fund (USF).<sup>7</sup> Any federal dollars allocated through these programs should strictly adhere to a set of guidelines that foster competition in the broadband market. Specifically, these funds should preferentially award funding to broadband builds that commit to providing open-access networks that provide consumers with more options. ISPs whose networks are built with new federal funding should also be required to offer at least one affordable internet-service plan option for low-income consumers who meet eligibility requirements. These measures will help increase broadband adoption among low-income households that have historically been non-adopters.

## Conclusion

This memo recommends straightforward and common-sense steps that the Biden Administration can take using existing authority to address the digital divide. Increasing transparency and competition in the broadband market will enable local, state, and national advocates, lawmakers, and philanthropists to target limited resources at solutions that bring currently unconnected households into the digital world. Increasing transparency and competition is also essential if the FCC is to fulfill its mandate under the Telecommunications Act of 1996 — ensuring that advanced broadband is being deployed to all Americans in a reasonable and timely fashion.<sup>8</sup>

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<sup>5</sup> Levin, B.; Rosston, G.; Wallsten, S. (2020). [Creating a Broadband Data Dashboard to Support Federal Communications Commission Decision-Making](#). Day One Project, October.

<sup>6</sup> Turner, S.D. (2020). [Fiber to the Clubhouse: Pai Subsidizes Broadband for the Rich](#). *Free Press*, December 9.

<sup>7</sup> Sohn, G. (2020). (2020). [Restoring the Federal Communications Commission's Legal Authority to Oversee the Broadband Market](#). Day One Project, October.

<sup>8</sup> [Telecommunications Act of 1996](#), Section 706(a).

## About the Author



**Curt Williams** was most recently the Digital Innovation Fellow at the Cleveland Foundation, where he led the implementation of the Foundation's Digital Excellence Initiative. Working closely with community partners around Greater Cleveland, Curt promoted a stronger digital culture by sharing ideas, making grants, and bringing people together around technological and digital inequities. He also spent time as a Public Service Fellow, conducting policy research for Cuyahoga County Council. He is currently pursuing a Master of Public Policy & Management - Data Analytics degree from Heinz College at Carnegie Mellon University.

**The Greater Cleveland Digital Equity Coalition** is a collective group formed in mid-2020 that includes Cleveland's corporate, philanthropic, K-12 and higher education, health care, workforce, and community-based and advocacy organizations. The Coalition wishes to express its appreciation for key digital-inclusion initiatives already underway at the federal level and urges additional actions to close the digital divide.

## About the Day One Project



The Day One Project is dedicated to democratizing the policymaking process by working with new and expert voices across the science and technology community, helping to develop actionable policies that can improve the lives of all Americans, and readying them for Day One of the next presidential term. For more about the Day One Project, visit [dayoneproject.org](https://dayoneproject.org).

*The Day One Project offers a platform for ideas that represent a broad range of perspectives across S&T disciplines. The views and opinions expressed in this proposal are those of the author(s) and do not reflect the views and opinions of the Day One Project or its S&T Leadership Council.*