

**Attachment—Additional Questions for the Record**

**Subcommittee on Communications and Technology  
Hearing on  
“Broadband Equity: Addressing Disparities in Access and Affordability”  
May 6, 2021**

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**The Honorable Richard Hudson (R-NC)**

1. Thank you for coming before the committee to help us examine access and affordability for our constituents who lack access to broadband. As you are aware, the COVID-19 pandemic has exposed the digital divide in America. The internet has revolutionized how we learn, connect, and conduct business. We learned during this pandemic that access to broadband is critical for online learning and telemedicine. However, too many regions are lacking crucial internet connectivity. These unserved communities in our districts are often home to some of the most vulnerable constituents, many of whom are currently unable to access potentially lifesaving telehealth treatments due to lack of broadband service.

Mr. Ford, I have the privilege of representing the epicenter of the universe and the largest military installation on the planet, Fort Bragg. North Carolina’s Eighth Congressional District is also home to the fastest growing veterans’ population in the country. Two years ago, the FCC issued a report that found more broadband adoption challenges among veterans in rural America than among veterans in cities. According to the FCC, a major obstacle to broadband adoption among veterans living in rural areas is lack of broadband access; they can’t adopt broadband if it hasn’t been deployed. At the same time, veterans in rural areas are more likely to have a service-connected disability rating and are more likely to need telehealth services according to data from the Commerce Department. So, rural broadband is incredibly important to veterans across my district and across the country.

- a. Would rate regulating internet service make it easier or harder for these veterans to get access to broadband?

**Response:**

**Rate regulation itself will not promote the deployment of network to unserved areas as such regulation reduces the returns on investment. The lack of access is a consequence of inadequate returns, so rate regulation only makes the problem worse. Also, if network deployment is subsidized to unserved areas, the amount of the subsidy must rise to accommodate the lower returns created by rate regulation.**

2. The FCC's report also found that veterans rely on the Internet to find job opportunities after they separate from their military service. But many veterans do not have access to broadband at all.

The other side has proposed raising the threshold for getting broadband support to 100 megabits per second symmetrical speeds, which would make cities like Charlotte, NC eligible and put many rural areas in my district that don't have broadband access at the back of the line.

- a. Even if veterans in rural areas were able to get broadband at 100 over 100, what would happen to the price of that internet?

**Response:**

**Symmetric speed requirements are not sensible. The Internet is not consumed in a symmetric fashion. Symmetric speed requirements are an attempt to make fiber the only viable broadband option, and to do so for reasons other than achieving the benefits of broadband (rather, the goal is the nationalization of the broadband network). As for price, it depends on the model the government uses. If deployment is subsidized, then the price may not rise (or price may be set by the subsidy regime) but the full price (which includes the cost of the subsidy) will rise. The full price may take the form of taxes, however, and not broadband prices directly.**

- b. If we rate regulate broadband down to \$15 dollars, does it make it harder for providers to invest in 100 Mbps or gigabit speeds and build out their high-speed networks to rural areas?

**Response:**

**No rational company will construct a very-high speed broadband network in an area where the price is regulated to \$15 per month. The construction of such a network will require substantial government subsidies, either direct or indirect, to construct a network under that sort of regulatory constraint.**

