Questions for the Record

Subcommittee on Communications and Technology

Hearing entitled, "Oversight of the Federal Communications Commission"

June 21, 2023

Commissioner Brendan Carr

Federal Communications Commission

<u>Attachment 1—Additional Questions for the Record</u>

<u>The Honorable Russ Fulcher</u>

When it comes to the issue of Net Neutrality, there has been some back and forth between reclassifying broadband Internet access as a Title II telecommunications service with the potential for a "public utility style" regulation versus keeping the current "light-touch" approach of regulation under Title I of the Communications Act.

1. Could you discuss the benefits of the current "light-touch" approach and whether the imposition of Title II could give the FCC to additional regulatory authority over rates?

<u>Answer</u>: Investment and innovation in America's broadband networks has thrived under the smart, light-touch approach to regulation that the FCC has applied for decades to the Internet on a bipartisan basis. While there is much more work ahead to end the digital divide in the U.S., imposing costly public utility style regulation to the Internet would only make it harder for ISPs to get the job done.

Indeed, the unprecedented spike in global Internet traffic that followed the COVID-19 pandemic represented the ultimate stress test of communications networks. The U.S. and its light-tough approach offers a stark contrast to the more heavily regulated communications networks in Europe and other parts of the globe. While our networks in the U.S. delivered high quality service despite elevated traffic levels, our friends in other advanced economies were not so fortunate. Their networks strained to maintain quality and speed. In Europe, EU officials asked Netflix and other streaming platforms to significantly reduce their video quality to prevent the continent's networks from breaking. Australia made a similar request. Yet our networks showed no significant reduction in speed or increase in latency, according to independent measurements. In fact, U.S. wireless networks saw speed increases despite the significant jump in data usage. By contrast, China saw up to 40 percent reductions in download speeds, and countries all across Europe and Asia also experienced significant declines.

America's networks performed because of the private sector's massive investment in our Internet infrastructure under the light-touch approach. In 2018, for example, the year following the FCC's 2017 return to a light-touch approach, America's wireless providers invested over 70 percent more per subscriber than their counterparts in Europe. In 2019, telecom crews built out more miles of high-speed fiber than ever before—over 450,000 route miles, which is enough to wrap around the Earth over 18 times. On top of that, the U.S. wireless industry invested $29.1 billion in 2019, $30 billion in 2020, $35 billion in 2021, and $39 billion in 2022—that represents a five-year increase in private sector investment dating back to 2017. We have also seen significant increases in infrastructure approvals and small cell builds.

Indeed, while some predicted that Internet speeds would decline following the FCC's return in 2017 to a light-touch approach to regulation, the facts speak for the themselves. Average mobile download speeds are up from 27.22 Mbps to 151.45 Mbps in the five years following that 2017 decision—that's up over 5.5X or 456%.

Returning to Title II, in the face of this success and in the absence of any compelling reason to do so, would represent a massive government overreach and open the door to price controls and other intrusive forms of regulation that were adopted nearly a century ago to deal with traditional telephone monopolies—a far cry from the competitive broadband market we have here in the U.S.