



The Daily Dish

A Sweeping Plan to Break the Internet

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Eakinomics: A Sweeping Plan to Break the Internet

AAF's Will Rinehart's latest piece [reviews](#) a [new plan](#) for universal broadband from Senator Bernie Sanders. 'Tis the season of giving, and the plan offers up \$150 billion in new spending, rate regulation, and the breakup of private sector broadband companies. Please, please, Santa Sanders, can I just get a lump of coal?

More specifically, he intends to "take this critical 21st century utility out of the hands of monopolies and conglomerates and bring it to the people" by (among other things):

- Handing out \$150 billion to build publicly owned and democratically controlled, co-operative, or open access broadband networks;
- Preempt states laws that limit or bar municipal and publicly owned broadband;
- Dictate a universally available Basic Internet Plan providing quality broadband speeds at an affordable price;
- Instruct the FCC to regulate broadband internet rates; and
- Break up internet service provider and cable monopolies.

These moves do not make a lot of sense. In particular, in 2017 the Federal Communications Commission (FCC) estimated it would cost [\\$80 billion](#) to get everyone connected with a fiber or cable connection, and half that was the price of connecting the last 2 percent of homes. Sanders' plan is more than double because it is not enough for him to break up private firms and impose a straight-jacket of regulation on the surviving firms. He wants to build another new network to be run by governments and non-profits. Rinehart documents just how misplaced this idea might be, looking at experiences abroad and in the states.

More generally the Sanders broadband plan is at odds with the key facts. As Rinehart summarizes:

- "Government-owned networks have struggled with deploying broadband;
- Past efforts to regulate telecom rates have hardly been a success; and
- Broadband prices aren't as comparably high as many critics think."

I get it that a Democratic Socialist might be skeptical of market mechanisms for broadband, or anything else. He will still be wrong, but I'd love to see some policy proposals that move from utopian socialism to plausible socialism.