



Insight

Bridging the Digital Divide Without Hurting Innovation

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- The COVID-19 pandemic has highlighted the advantages of increased connectivity but also concerns about the digital divide between those with internet connectivity and those without it.
- Policymakers should be sure to understand both the policies that have allowed the robust internet infrastructure in the United States as well as the range of reasons that localities and households lack internet connection.
- Policymakers should not create additional barriers to innovation, such as 5G, and investment in internet infrastructure that will further improve network speeds, bandwidth, and connectivity.

Introduction

As Congress and other policymakers continue to address concerns related to the pandemic, new attention has shifted to internet connectivity. Last week, the [Senate Commerce Committee](#) held a hearing to discuss the state of broadband during the pandemic. The House of Representative's , the [Health and Economic Recovery Omnibus Emergency Solution \(HEROES\) Act](#), contains \$5.5 billion in [expanded funding](#) for the Federal Communications Commission's (FCC) Lifeline Program for low-income individuals and E-Rate program for schools and libraries. It also requires companies to agree to not disconnect service during the pandemic in a manner similar to the FCC's voluntary [Keep Americans Connected Pledge](#) that many companies have already undertaken. These proposals and hearings are highlighting concerns about the "digital divide" and those Americans who may lack internet access.

Nevertheless, the pandemic has also showed how the American approach has yielded an internet infrastructure able to withstand the stress of increased demands. Internet usage has increased substantially during the COVID-19 pandemic as more Americans find themselves working from home, relying on online classes, and trying to stay entertained and connected. The pandemic is serving as a [reminder of the benefits of technology](#), and the American approach of light-touch regulation and encouraging innovation and infrastructure investment has [proven up to the task](#) of meeting this increased demand.

To address the underlying concerns and reasons for the digital divide, both in the current crisis and beyond in our increasingly connected digital age, policymakers should both understand the current situation and look to build on the benefits of policies that have enabled a vigorous internet infrastructure.

Understanding the Situation

As one of the fathers of the internet Vincent Cerf, along with David Isenberg, recently wrote in an op-ed for *The Hill*, "This is a story of the need to invest in our communities, businesses and homes — not a story of a broken Internet." Today [90 percent of adults](#) use the internet, and the COVID-19 pandemic has illustrated the benefits of internet connectivity. With many states still under stay-at-home orders or suggesting those able to work from

home continue to do so, telecommuting has become the norm for many American workers, and workers seem to have adjusted well. While telecommuting was [already on the rise](#), an [April 2020 Gallup Poll](#) found that over 60 percent of those surveyed have worked remotely during the pandemic and that the majority would prefer the flexibility to choose to continue to do so even when restrictions are lifted. Reliable, high-speed internet access has not only made it possible to maintain some degree of productivity and normalcy, but it has also made social distancing less unpleasant thanks to video chats and streaming video services. Policymakers are right to recognize that connectivity is playing a key role in the productivity and enjoyment of many citizens.

Many policymakers are expressing concerns that those in rural areas or low-income households are left behind without the necessary internet access in the current crisis. This gap in access is often referred to as the “digital divide.” Before policymakers act, however, they should not presume that the lack of connectivity is all for the same reason, i.e. a lack of access or unaffordable prices. It is [more common](#) for individuals surveyed to cite that they are not connected due to a lack of interest or not understanding the relevance of being online than the cost of obtaining internet service. The pandemic may demonstrate the value of internet connectivity to those who didn’t see it before, but solutions to the digital divide will not be as simple as expanding access to current programs that support internet access in low-income and rural households.

Even in homes with connectivity, additional resources are needed such as laptops or other equipment to be able to take the advantages of the internet. That is not to say access problems are not driving the digital divide in some places, but a lack of connectivity might not be because of a lack of availability or investment. While improving availability of the internet, speed, and bandwidth are worthy goals, policymakers should also consider why some may not currently see the benefits of technology and the accompanying challenges to connection, such as the availability of devices.

Because of the variety of reasons for the digital divide, policymakers should be cautious to not assume the same policy will work everywhere. Local geographic and economic factors as well as technological limitations may require different solutions for those currently not connected. Television spectrum currently unused ([TV White Space](#)), improved wireless technologies such as 5G, and improved satellite internet may be part of the solution for currently underserved communities on top of more traditional broadband. Additionally, existing programs often have shortcomings for addressing local needs. As the Mercatus Center’s [Brent Skorup points out](#), current programs such as the Universal Service Fund can result in unequal distribution toward seemingly similar geographic and rural regions, and their goals might be better accomplished through other policy reforms. Policymakers should also look at creating a more efficient and effective distribution of funds for underserved households in programs such as the FCC’s [Lifeline](#) Program. An ideal approach would have the flexibility to allow households to determine what best fits their connectivity needs as well as to enable providers to create innovative solutions for providing service.

Building on What Works

The COVID-19 pandemic has in some ways provided the ultimate stress-testing of the policy approaches that created our technological infrastructure and has shown the benefits of over two decades of innovation-friendly policies. Going forward, policymakers should build on this approach’s benefits, while continuing to enable innovators to expand the quality of internet and availability of connectivity.

As we are likely to see continued increased internet usage for [telecommuting](#) and an increasing number of [connected devices](#), policymakers should ensure that an innovation-friendly approach continues to encourage improvements such as 5G. Such innovation-facilitating policy includes several steps taken by the FCC both during and before the pandemic. For example, the FCC has taken several recent actions in allowing the

development of key spectrum for such improvements. During the pandemic, the FCC has allowed Wireless Internet Service Providers [temporary access to certain spectrum](#) to cope with increased demand and provide increase service in rural areas. 5G will further [improve](#) network capacity and download speeds during heavy usage and [potentially provide](#) a “last mile” solution for those who currently lack broadband connectivity. The FCC has shown leadership in increasing access to spectrum and removing barriers so that the United States can be competitive in the race to 5G. Facilitating the availability will enable private actors to advance this improvement and help support increased demand and improve connectivity.

Policymakers should also continue to avoid calls for utility-style regulation, including the return of “net neutrality.” Not only have the worst predictions about the demise of net neutrality regulation failed to come true, avoiding this type of regulation in the early days positioned the internet better than the counterparts that faced such regulation. When comparing similar time periods, the United States with its lighter touch to broadband regulation [has seen](#) higher bandwidth consumption and greater access to high speed broadband than in Europe. During the pandemic, Americans have not experienced the need for internet providers to reduce the quality of streaming video as European providers have done, thanks to a regulatory approach that did not require utility-style regulation and resulted in encouraging private investment and deployment. Policymakers should be cautious about calls for the return of such heavy-handed restrictions. As American Action Forum President Doug Holtz-Eakin [recently wrote](#), “An important and simple lesson is before us: Federal policies that unleash innovative and competitive forces, penalize anti-competitive conduct, and let consumers vote with their dollars and their feet are the recipe for success in building digital infrastructure. Heavy-handed government regulations are not.” Light-touch regulation has facilitated the strong connectivity that we currently have, and the same regulatory posture should characterize any efforts to address the digital divide.

Finally, while the internet is by its nature a borderless technology and often requires a federal framework, local policymakers can play an important role in removing barriers to enable easier investment in internet infrastructure. For example, Louisiana’s [Pelican Institute argues](#) that state lawmakers could reduce the various fees and bureaucratic red tape that raise the costs for companies wishing to expand service in the state. Similarly, states and localities can adopt “[Dig Once](#)” rules that includes laying necessary broadband infrastructure at the same time as road construction to make it easier and less disruptive to enter new or underserved markets. State and local policymakers are also uniquely situated to find creative solutions to serve their communities’ specific needs, for example through public-private partnerships. Wise local policies that account for the benefits of private investment can help address the digital divide, while overly intrusive local regulations will likely stymie connectivity.

Conclusion

Decades of technology policy allowed the development of an innovative and robust form of internet connectivity that has been able to withstand unprecedented increased demands during the pandemic. The benefits of increased internet connectivity have become clearer than ever to policymakers and many Americans. Policymakers are right to be concerned about those lacking connectivity, but they should be careful to address the specific problems behind these gaps and continue to allow multi-faceted and innovative ways of bridging the digital divide.