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Accessible and Affordable Broadband Is Essential to Modernized American Infrastructure

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Two organizations recently hosted a White House briefing on President Biden's proposed \$2 trillion infrastructure package, the American Jobs Plan (the "Plan"). The organizations were Small Business for America's Future¹ and Business Forward.² During the briefing, National Economic Council Deputy Director Bharat Ramamurti repeatedly emphasized the importance of expanding access to broadband to 100 percent of Americans and reducing the cost of broadband service. Access to affordable broadband is essential to the White House's vision of modernized American infrastructure.

The Plan equates the need for broadband with the country's efforts to electrify rural areas in the 1930s and would allocate \$100 billion³ for broadband deployment. It aims to deploy what the administration terms "future proof" high-speed broadband infrastructure covering 100 percent of unserved and underserved American homes.

The White House estimates that 30 million Americans lack access to high-speed broadband, approximately twice the number that the Federal Communications Commission ("FCC") estimates⁴ currently lack access to broadband. This higher estimate may reflect demands from some on Capitol Hill⁵ to increase the minimum speed for service that qualifies as high-speed broadband, leaving more American homes on the wrong side of the digital divide.

Funding

The Plan prioritizes funding for municipal broadband providers or other providers affiliated with local governments, nonprofit service providers, and electric cooperatives. According to the administration, these providers have reduced pressure to return profits for investors and are thus able to focus squarely on providing the best possible service to consumers.

Prioritizing these entities would be a departure from the typically provider-agnostic broadband subsidy programs such as the FCC's Rural Digital Opportunity Fund or the U.S. Department of Agriculture's ReConnect loan and grant program.

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Broadband

In addition, the Plan would set aside an unspecified amount of funding specifically for networks serving Tribal areas and would require consultation with Tribal governments in administering the program.

The White House also notes that American consumers pay among the highest prices for broadband service in Organization for Economic Cooperation and Development countries, leaving millions of Americans without access, including in urban areas. Apart from directly funding deployment of broadband in unserved areas, the American Jobs Plan aims to promote greater competition among internet service providers and lower prices for consumers by increasing pricing transparency, and easing restrictions that prevent municipal and affiliated providers from competing with incumbent for-profit providers.

The Plan also includes short-term subsidies to individuals and families to ensure that broadband is affordable. President Biden has indicated that he aims to work with Congress to find a longer-term solution for reducing prices without resorting to ongoing subsidies.

Investments

In addition to the broadband initiatives described above, the Plan proposes billions of dollars in investments aimed at supporting research and development (“R&D”), workforce development, manufacturing, and regional economic development, with a significant focus on the technology sector. These initiatives will focus on “boost[ing] America’s innovative edge in markets where global leadership is up for grabs,”⁶ such as “battery technology, biotechnology, computer chips, and clean energy.”

Specifically, the Plan proposes to make the following investments, subject to congressional approval:

- \$50 billion to semiconductor manufacturing and research, as is called for in the bipartisan Creating Helpful Incentives for Producing Semiconductors (“CHIPS”) Act. The CHIPS Act, which was incorporated in the National Defense Authorization Act for Fiscal Year 2021,⁷ establishes investments and incentives to support U.S. semiconductor manufacturing, R&D, and supply chain security.
- \$50 billion to create a new Commerce Department office to monitor domestic industrial capacity and fund investments to support the production of critical goods.
- \$52 billion to domestic manufacturing, including specific supports for modernizing supply chains,

including in the auto sector, and the creation of a new financing program to support debt and equity investments for manufacturing.

- \$35 billion for different solutions needed to achieve technology breakthroughs that address the climate crisis. This includes \$15 billion in demonstration projects for climate R&D priorities, including utility-scale energy storage, carbon capture and storage, hydrogen, advanced nuclear, rare earth element separations, floating offshore wind, biofuel/bioproducts, quantum computing, and electric vehicles.
- \$50 billion for the National Science Foundation to create a “Technology Directorate” that will collaborate with and build on existing programs across the government. According to the Plan, the Technology Directorate would focus on fields like “semiconductors and advanced computing, advanced communications technology, advanced energy technologies, and biotechnology.”
- \$40 billion to upgrade research infrastructure in laboratories across the United States, including brick-and-mortar facilities and computing capabilities and networks.
- \$30 billion for R&D to support “innovation and job creation,” including in rural areas.
- \$14 billion to the National Institute of Standards and Technology to work with industry, academia, and government to “advance technologies and capabilities critical to future competitiveness.”
- \$20 billion to create regional innovation hubs that would help “leverage private investment to fuel technology development, link urban and rural economies, and create new businesses” in rural regions, and to establish a Community Revitalization Fund.
- \$46 billion investment in federal buying power to enable the manufacture of electric vehicles, charging ports, and electric heat pumps for buildings and homes in order to meet President Biden’s goal of net-zero emissions by 2050.

Notes

1. <https://www.smallbusinessforamericasfuture.org/>.
2. <https://www.businessforward.org/>.
3. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.

4. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.
5. <https://www.bennet.senate.gov/public/index.cfm/press-releases?id=2C769043-69ED-426B-B30A-57981A4BA333>.
6. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/03/31/remarks-by-president-biden-on-the-american-jobs-plan/>.
7. <https://www.congress.gov/bill/116th-congress/house-bill/6395/text>.

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