

GAO Highlights

Highlights of [GAO-17-742](#), a report to the Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate

Why GAO Did This Study

FCC has a role in promoting competition in the market for broadband, which provides consumers with high-speed Internet through fixed service at home and mobile service through devices such as smartphones. FCC data indicate that about 90 percent of Americans had access to fixed service as of December 2015, but that less than half had more than one choice for such service. As of that time, FCC reported that multiple providers offered mobile broadband coverage to most Americans. Mobile service increasingly allows access to Internet content that was previously accessed primarily through fixed service.

GAO was asked to examine factors affecting broadband competition. This report covers (1) selected experts' and stakeholders' views on factors affecting broadband competition and (2) how FCC promotes broadband competition and examines consumers' experience with it. GAO analyzed FCC data as of December 2015; reviewed relevant statutes and FCC documentation; interviewed FCC officials and 23 stakeholders selected to include various types of broadband providers and associations representing industry and consumers; and convened a meeting of 19 experts from academia, industry, and consumer groups with assistance from the National Academy of Sciences.

What GAO Recommends

FCC should annually solicit and report on stakeholder input regarding (1) its actions to promote broadband competition and (2) how varying levels of broadband deployment affect prices and service quality. FCC concurred with GAO's recommendations.

View [GAO-17-742](#). For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

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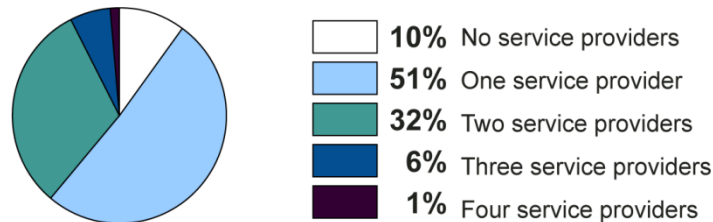
BROADBAND

Additional Stakeholder Input Could Inform FCC Actions to Promote Competition

What GAO Found

Selected experts and stakeholders told GAO that infrastructure costs and other factors can limit broadband deployment and the extent of broadband competition. Factors these individuals identified included providers' costs to deploy antennas, install wires or cables, and obtain permits to access existing infrastructure. Such infrastructure includes utility poles needed for deploying wired components of broadband networks. These costs can limit competition, particularly in non-urban and less populated areas, where providers' return on investment can be lower due to fewer potential customers. Experts and stakeholders also identified industry consolidation and increasing similarity of fixed and mobile broadband as factors that are likely to affect broadband competition moving forward.

Fixed Broadband Providers Reporting Download Speeds of at Least 25 Megabits per Second, as of December 2015, by Percentage of U.S. Population, as of 2010



Source: GAO analysis of Federal Communications Commission broadband deployment and Census data. | GAO-17-742

Note: Analysis combines FCC broadband deployment data from providers reporting at least 25 megabits per second download speeds and 3 megabits per second upload speeds, as of December 2015, with population data from the 2010 U.S. Decennial Census, which is the most recent nation-wide population count available.

The Federal Communications Commission (FCC) has undertaken rulemakings, spectrum auctions, and merger reviews to help promote competition, but lacks information on how well these actions promote competition. Despite such actions, about half of Americans have access to only one fixed provider (see figure). FCC has a process for seeking stakeholders' and others' input on broadband-related topics and annually reporting on these views, but does not solicit such input on its actions to promote competition. Such input could help FCC determine if any changes are needed to its actions to support competition relative to current and emerging factors in the broadband market. Further, FCC's annual reports contain some information on consumers' experience with broadband competition, such as the number of provider options. However, these reports do not include stakeholder input on how the number of provider options affects prices and service. Some stakeholders said that competition was important to securing lower prices and better service, while others said competition does not necessarily lead to these benefits because some providers offer the same pricing and service quality everywhere regardless of whether they face competition in a particular location. Regularly seeking stakeholder input on how varying levels of broadband deployment affect price and service quality, could help FCC to better focus its efforts to secure lower prices and higher service quality service for consumers.