

ISPs say US should force Big Tech firms to pay for broadband construction

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reader comments

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Internet service providers in both the US and Europe are clamoring for new payments from Big Tech firms.

European broadband providers are much closer to realizing the long-held goal of payments from tech companies, as the European Union government is holding an official consultation on the proposal. As the EU process unfolds, the telco lobby group USTelecom is hoping to push the US down a similar but not quite identical path.

In a blog post on Friday, USTelecom CEO Jonathan Spalter argued that the biggest technology companies should contribute toward a fund that subsidizes the building of broadband networks. Spalter wrote that Amazon and similar Internet companies should fill what he called a “conspicuously empty seat at the collective table of global high-speed connectivity.”

Given that “six companies account for half of all Internet traffic worldwide... Does it still make sense that the government and broadband providers alone fund this critical infrastructure? Is there no shared obligation from the primary financial beneficiaries of these networks—the world’s most

powerful Internet companies?” Spalter wrote.

“We need a modern reset that more equitably shares these financial obligations among those who benefit the most from these connections,” he argued.

USTelecom members include AT&T, Verizon, Lumen (formerly CenturyLink), Windstream, and other telcos. It’s one of the biggest trade groups that lobbies for US-based Internet service providers.

USTelecom: Make tech firms pay into central fund

European telcos are pushing for direct payments from tech firms to ISPs. USTelecom instead wants payments into a central fund managed by the government.

The Biden administration last month urged the EU to reject the forced payments proposed by European ISPs, saying the plan “could give operators a new bottleneck over customers, raise costs for end users, and alter incentives for CAPs/LTGs [content and application providers and large traffic generators] to make efficient decisions regarding network investment and interconnection.”

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The Biden administration also said payments from tech firms may violate net neutrality principles, saying that it “is difficult to understand how a system of mandatory payments imposed on only a subset of content providers could be enforced without undermining net neutrality.”

Despite that, USTelecom pointed to the Biden administration’s comments in its pitch to make Big Tech firms pay into a central fund like the existing Universal Service Fund (USF) managed by the Federal Communications Commission.

"We concur with the US government's position that rather than the payments to broadband providers proposed in the EU, such 'publicly accountable funding mechanisms can better ensure that resources are devoted to key policy objectives, such as improving access and strengthening network security, while avoiding discriminatory measures that distort competition,'" Spalter wrote.

Plenty of opposition to Big Tech payments

The Biden administration's comments didn't call for tech companies to pay into a government-run fund, though. The document noted that the US "approach to financing improvements to broadband infrastructure involves private investments, a national Universal Service Fund, and significant public funding made from general appropriations," but didn't argue for any changes to who pays into the fund.

Meta, Google, and Netflix have slammed the European demands for payments, saying that ISPs are attempting to charge twice for the same service. Big Tech firms also point out that they invest heavily in content delivery networks that reduce stress on ISP services.

The Body of European Regulators for Electronic Communications (BEREC) took a similar position, saying it has found no evidence of "free-riding" by tech companies or evidence that ISPs' costs aren't fully covered.

The Biden administration comments on the EU proposal also said that collecting revenue from online content providers could harm the global Internet ecosystem. "We urge caution should the EU consider any new funding mechanisms that could disrupt the current Internet ecosystem, which has successfully adapted to evolving technological and market conditions over time. Internet traffic is global, raising questions regarding one

country's ability to collect revenues from foreign content providers; if many countries take this path it would likely be unsustainable," the US government said.

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