

Issue Brief: Pole Attachments and Broadband Build-out

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President Joe Biden has made broadband build-out part of his Build Back Better plan, arguing that it constitutes essential infrastructure, much like electricity and water. The plan calls for \$100 billion in subsidies for “future-proof” broadband—that is, connection modes that are expected to meet, or can be readily upgraded to meet, future connectivity needs—with a particular focus on municipal broadband and other nonprofit Internet service providers (ISPs). Congress also has taken up the question of broadband subsidies as part of its ongoing debate over infrastructure spending. But while it is important to [get subsidies right](#), the most expedient public-policy change to ensure greater deployment and adoption of broadband would be to reform policies that needlessly impede the construction and efficient operation of broadband services.

Broadband connectivity continues to be a top priority for the Federal Communications Commission (FCC) and for state and local governments. But to build out wireline broadband, ISPs need access to poles, many of which are owned by electric cooperatives, utilities, and municipal governments. Unfortunately, these entities can charge exorbitant prices to access the necessary inputs. Moreover, the cost to replace, repair, and improve these poles is frequently offloaded onto ISPs and other attachers. These practices drive up the cost to deploy broadband, leading to slower deployment and higher prices for consumers.

The more expensive deployment becomes, the more difficult it is for providers to realize sustainable profits on those investments. This dynamic invariably leads to more selective use of scarce resources, to the detriment of costlier, less-profitable rural deployment. The challenge confronting policymakers and industry alike is how best to equitably and cost-effectively allocate the expenses associated with pole attachments.

The FCC has authority under Section 224 of the Communications Act to review the rates charged for pole attachments to ensure that they are “just and reasonable.” Pursuant to that authority, the [FCC recently found](#) that “utilities throughout the country have disparate and inconsistent practices with regard to cost responsibility for pole replacements.” The FCC also declared it unreasonable for utilities to “impose the entire cost of a pole replacement on a requesting attacher when the attacher is not the sole cause of the pole replacement.”

In order to facilitate greater broadband deployment, the FCC should consider rulemaking governing how to allocate pole-replacement costs more equitably. States should also reform how the costs of upgrades are distributed when municipal governments and electric

cooperatives own the poles.

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