

New Study Finds Government-Owned Broadband Networks Will Not Bridge the Digital Divide

WASHINGTON, DC, UNITED STATES, September 2, 2021 /EINPresswire.com/

-- Today, the American Consumer Institute (ACI) released [a new study](#) examining the dangers of government-owned broadband networks at a time when some states and municipalities are flush with stimulus dollars. Despite significant advancements in internet subscribership and record levels of private investment that have led to

lower prices and increased speeds for consumers, some persist in calling for the buildout of municipal broadband services to close the digital divide.



Today's study warns that increasing the number of government-operated networks (GONs) would do little to lower their costs or increase broadband subscribership. Specifically, the study highlights the significant historical failures of GONs, and how they have left taxpayers on the hook for millions of dollars in government debt and forced consumers to pay higher prices for other municipal utility services to make up for operational losses.

Key findings of the study are:

- The long history of GONs failures teaches us that public ownership of broadband networks is a bad policy for serving consumers, encouraging competition, and promoting innovation;
- Municipal broadband networks crowd out private investment and competition;
- These networks are more inefficient when compared to private networks; and
- GONs providers often lose money and then shift these costs to taxpayers and other public utility services – meaning the effective price paid by consumers is ultimately much higher than advertised.

The study's result should serve as a clear warning to policymakers that expanding GONs will do little to enhance consumer welfare or bridge the digital divide. Instead, policymakers should work to craft a regulatory environment that builds upon the market's proven successes by spurring competition and encouraging private investment.

Read the [full ACI report here](#).

For more information about the American Consumer Institute, visit www.TheAmericanConsumer.Org.

Stephen Pociask

American Consumer Institute

+1 703-282-9400

[email us here](#)

Visit us on social media:

[Twitter](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/550391343>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.