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Press Release

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NEW PHOENIX CENTER STUDY FINDS NO EVIDENCE OF DIGITAL REDLINING

Findings reinforce need for attention to economics as the Federal Communications Commission contemplates Digital Redlining rules

WASHINGTON, D.C. — The lack of broadband in many rural and Tribal communities is widely recognized, but there are also claims of a lack of broadband availability in predominantly Minority and urban communities, sometimes labeled *digital redlining* or *digital discrimination*. Motivated by such claims, the bi-partisan Infrastructure Investment and Jobs Act of 2021 includes a specific provision to address digital discrimination and the Federal Communications Commission is currently contemplating formal rules.

In a new analysis today entitled *Digital Discrimination: Fiber Availability and Speeds by Race and Income*, Phoenix Center Senior Fellow Professor T. Randolph Beard and Phoenix Center Chief Economist Dr. George S. Ford provide a definition of digital discrimination and describe the sort of empirical conditions and methods needed to quantify it. Having defined the problem and analytical framework, the authors conduct an empirical analysis of digital discrimination in fiber deployment and broadband speeds is performed. The authors' results are encouraging — they could not find any systematic evidence of digital discrimination by race or income level.

“Our analysis aims to separate economic factors — demand and costs — from race and income as determinants of fiber availability and broadband speeds, since discrimination requires differential treatment for equally profitable consumers,” says study co-author Phoenix Center Chief Economist Dr. George S. Ford. “Discrimination is costly to the firm (i.e., forgone profits), so these results indicating a lack of digital discrimination are consistent with profit-maximizing behavior by providers.”

A full copy of PHOENIX CENTER POLICY PAPER NO. 58, *Digital Discrimination: Fiber Availability and Speeds by Race and Income*, may be downloaded free from the Phoenix Center's web page at: <https://www.phoenix-center.org/pcpp/PCPP58Final.pdf>.

The Phoenix Center is a non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of the digital age.