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## Press Release

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### NEW PHOENIX CENTER ECONOMIC ANALYSIS DEMONSTRATES \$24-TO-\$30 BILLION IN BROADBAND INVESTMENT LOST SINCE 2015

*While Recent Data from USTelecom Suggests Decline in Broadband Capital Spending in Telecom Sector Has Ceased for Now, Capital Spending is Well-Below Expectations*

WASHINGTON, D.C. – USTelecom recently released an update to its U.S. broadband industry capital spending series. In this update, USTelecom reported that sector investment rose \$1.5 billion (or 2%) between 2016 and 2017—a reversal of a two-year decline following the Federal Communications Commission’s (“FCC”) 2015 *Open Internet Order*. Reversing the slowdown in capital spending in telecommunications is indeed progress, but questions remain about how much damage has been done by the attempts to increase regulatory control in telecommunications.

In a new study released today entitled *Infrastructure Investment After Title II*, Phoenix Center Chief Economist Dr. George S. Ford looks at changes in capital spending beginning in 2015 relative to a counterfactual rooted in the investment analysis conducted by the FCC in the 2018 *Restoring Internet Freedom Order*. Dr. Ford’s analysis shows that while the decline in capital spending in 2015 and 2016 stopped in 2017, investment in the telecommunications sector is materially compressed, being about \$10-to-\$13 billion (or 12-to-15%) below expectations in 2017 with nearly \$24-to-\$30 billion in investment lost to the Title II drama since 2015.

“At a time when infrastructure investment in broadband networks is needed,” says Dr. Ford, “regulators must take great care in their policy choices to avoid attenuating investment incentives.”

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 18-09, *Infrastructure Investment After Title II*, may be downloaded free from the Phoenix Center’s web page at: <http://www.phoenix-center.org/perspectives/Perspective18-09Final.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.*