What is Digital Redlining?

"Digital redlining" occurs when internet service providers (ISPs) systematically underinvest in low-income and marginalized communities (including Tribal communities) by either not deploying broadband at all, or by failing to maintain existing networks so that the service becomes increasingly slow and unreliable -- especially when compared to surrounding, predominantly white neighborhoods. ISPs further aggravate the problem by signing exclusive deals with apartment building owners and housing associations, locking residents into expensive monopoly service.

Redlining is not a new concept. In the 1930s, banks withheld housing loans from "undesirable" applicants (almost always people of color), thereby pushing them into urban housing projects instead of newly built suburban communities. The effects of these decisions continue to reverberate to this day. These neighborhoods have suffered chronic underinvestment, leaving the residents poorer and unable to access employment, education, government resources, and healthcare.

At least 42 million people in the U.S. lack access to home broadband, and communities of color are far less likely to be connected. Predominantly African-American rural communities are almost 20% less likely to have broadband. Even when low-income and marginalized communities are connected, they are more likely to have slow, unreliable internet (such as poorly maintained DSL) whereas wealthier communities will have access to fiber, which offers significantly faster and more reliable service.

Redlining Is About Policy, Not Economics

Citing costly infrastructure and lack of profitability, incumbent ISPs prioritize short-term profit and have little incentive to invest in broadband infrastructure in rural and low-income areas, despite studies showing that they stand to gain revenue after deploying all-fiber networks to these densely populated communities. It's not that companies can't profit from deploying all future-proof networks; it's that they don't think they can profit quickly enough. The result is that redlined communities pay just as much for substandard service.

This is not the first time we have faced this problem. Historically, we have seen the same patterns for electric networks, telephone networks, and other utility services. We solved these problems by adopting policies that forced companies to deploy the same quality network throughout their service territory. That's why neighborhoods passed over by broadband providers have telephone service (and slow DSL). We need to have the political courage once again to make the right policy choices.

How Policymakers Can Prevent Digital Redlining

With ISPs having little incentive to deploy and maintain high-quality networks, policymakers must take steps to combat digital redlining by doing the following:

- Direct the FCC to study where digital redlining is occuring in order to understand the scope of the problem.
- Direct the FCC to promulgate rules preventing discrimination on the basis of income, race, ethnicity or other protected class, including a requirement to service all areas within a given geographic footprint with comperable quality broadband.
- Prevent ISPs from making deals with landlords that limit tenants' choices and lock them into slow, expensive monopoly service.
- Robustly enforce anti-redlining and anti-exclusivity regulations.