Preliminary Net Neutrality Investment Findings

Internet Association research finds ISPs continue to invest and innovate at similar or greater levels in the current regulatory environment, including after Title II reclassification of internet services. IA will release its full research paper on internet service provider (ISP) investment in the coming months. A preview of key takeaways from the research:

**ISP investment is up over time, and shows no decline as a result of Title II reclassification in 2015.** By multiple, independent metrics, ISP claims of depressed investment don’t mesh with reality. From actual capital expenditure numbers, to patents, to prices, Title II has not had the effects that ISPs claim.

**IA research pulls from the same data sets as ISPs.** This report relies on publicly data available directly from ISPs or used by ISP trade groups.

**ISPs have failed to prove Title II has had a negative impact on investment.** Efforts to replace the 2015 Open Internet Order are not based on economic fact. ISPs have failed to prove that the Order, or Title II reclassification specifically necessitates reversal of FCC policy.

| ISP CLAIM: Infrastructure investment among leading ISPs has decreased 5.6% because of net neutrality |
| IA research shows telecom investment increased following net neutrality. There’s no evidence that net neutrality caused infrastructure investment to decline |

- **$7.3B**
  - 5.3% increase in telecom investment among publicly traded companies from 2013-2014 to 2015-2016 (based on projections)
  - Source: Company SEC Filings via Free Press

- **$89.9B**
  - 56% increase in cable investment from 2009-2010 to 2016 (based on projections)
  - Source: SNL Kagan via NCTA

- **$4.7B**
  - 5.1% increase in telecom investment from 2014-2015 (based on projections)
  - Source: OECD & USTelecom

- **$87.8B**
  - 39% increase in telecom investment from 2010-2016 (based on projections)
  - Source: OECD & USTelecom

- **$250 billion**
  - Cable & broadband infrastructure investment
  - Source: SNL Kagan via NCTA

- **$173 billion**
  - Source: SNL Kagan via NCTA
PRELIMINARY NET NEUTRALITY INVESTMENT FINDINGS

**ISP CLAIM**: Net neutrality is a regulatory framework hampering competition

- **✓ ISPs and their consumers are enjoying historically low production costs**
  - 48% ↓ REDUCTION IN PRICES FOR WIRELESS TELECOM SECTOR FROM 2000 TO 2016
  - 3.4% ↓ REDUCTION IN PRICES FOR WIRED TELECOM SECTOR FROM 1997-2016
  - Source: World Bank

- **ISP CLAIM**: Net neutrality has hurt innovation in the telecom sector
  - **✓ Innovation has increased consistently and rapidly since net neutrality implementation**
  - 58.4% ↑ INCREASE IN TELECOM PATENT APPLICATIONS FROM 2010 TO 2012

- **ISP CLAIM**: Net neutrality has hurt free speech and expression
  - **✓ Content and data production continues to increase exponentially**
  - 1000% ↑ INCREASE IN ONLINE DATA AND CONTENT FROM 2009-2016

**Data Production**
- 7.9 zetabytes (2016)
- 1000% INCREASE
- 0.79 zetabytes (2009)

**Telecom Patent Applications**
- 2010: 6491
- 2012: 8669

Source: United States Patent and Trademark Office

Source: Computer Science Corporation