



Government-subsidized Internet: Corporate Welfare Masquerading as “Equity”

State [legislatures](#) are rushing to pour billions of [taxpayer dollars](#) into government-subsidized internet and broadband programs, often under the banners of “[equity](#),” “[access](#),” or “affordability.” From Massachusetts to Wyoming, lawmakers are expanding the role of government in what has been — and should remain — a competitive, fast-evolving private market. These initiatives undermine the free market, pick winners and losers, and entrench [corporate welfare](#) at the expense of consumers and taxpayers, benefiting some at the expense of others.



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While access to information and communication is important in society, importance does not equate to [constitutional](#) authority. The federal government was never delegated power to regulate or subsidize broadband, nor were state governments empowered to funnel taxpayer dollars into private internet providers under the guise of “public necessity.” Government-subsidized broadband is not a public good; it is a government intrusion into a market that has thrived precisely because it developed outside centralized control.

State-level Actions

In 2024, [Massachusetts](#) lawmakers approved legislation authorizing more than \$1.2 billion in bonded spending for information technology, cybersecurity, and broadband infrastructure. Framed as modernization, the bill directs significant public funding into sectors already dominated by private-sector innovation, placing the state in the role of market participant rather than neutral regulator.

[New Jersey](#) lawmakers took a different approach, passing a resolution urging Congress to revive funding for the federal Affordable Connectivity Program, which subsidizes broadband access for select households. Though styled as a resolution, the measure pressures Congress to continue unconstitutional federal spending programs that compel taxpayers nationwide to subsidize internet access for some, but not others.

[Wyoming](#) similarly authorized the use of state funds to match federal broadband grants created under the 2021 [Infrastructure Investment and Jobs Act](#). By accepting these funds, the state legitimizes federal overreach and binds itself to regulatory strings that expand bureaucracy while diminishing state sovereignty.

Other states have followed suit. [Kentucky](#) and [Virginia](#) approved large appropriations of federal funds to expand broadband access, relying largely on dollars made available by the 2021 American Rescue Plan Act. [Maryland](#) created an [Office of Statewide Broadband](#) with the stated goal of guaranteeing affordable internet access for every resident by a government-imposed deadline. [Vermont](#) established a [Community Broadband Authority](#), further institutionalizing [state involvement](#) in internet access.



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These states are not alone. [Colorado](#), [California](#), [Minnesota](#), [New York](#), [Washington](#), and other states have enacted or expanded similar programs, often [pairing state funds with federal grants](#). At the federal level, initiatives such as the [Broadband Equity, Access, and Deployment](#) program continue funneling tens of billions of dollars into favored providers, reinforcing a nationwide shift toward government-managed connectivity.

Picking Winners and Losers

At its core, government-subsidized broadband is a textbook example of [corporate welfare](#). When government pays select companies to provide internet service, it shields those firms from competition while disadvantaging smaller providers and innovators forced to operate without taxpayer backing.

Some households receive subsidized service; others do not. Some companies are deemed “eligible partners”; others are excluded. This amounts to central planning. Subsidies distort prices, discourage private investment, and replace consumer choice with bureaucratic decision-making. The result is a market driven by political priorities rather than consumer demand.

Free-market Success

The [failures](#) of government-managed broadband are already evident at the federal level. Under the [Biden administration](#), the \$42.45-billion Broadband Equity, Access, and Deployment (BEAD) program, enacted in 2021, had connected [zero homes](#) as of March 2025. Even left-leaning comedian Jon Stewart [highlighted](#) the program’s dysfunction on his podcast, mocking the administration’s 14-step bureaucratic process that requires years of mapping, challenges, planning, and federal approvals before a single shovel hits the ground. The BEAD program’s paralysis illustrates a core reality: Centralized planning and red tape, not lack of funding, is the obstacle. Tens of billions of taxpayer dollars have been consumed by process, consultants, and compliance, while rural Americans remain unconnected; a stark indictment of government-run infrastructure schemes.

[Proponents](#) of [broadband subsidies](#) often claim [rural or low-income](#) areas would be left behind without government intervention. That argument ignores both the pace of technological advancement and the free market’s proven ability to meet demand when government steps aside.

Private investment has already transformed internet access. Fiber networks, fixed wireless systems, and low-earth-orbit satellite technology (though still often [subsidized](#)) have dramatically expanded coverage while reducing costs. One of the most striking examples is Starlink, a primarily privately funded satellite network delivering high-speed internet to [remote](#) and underserved areas. While Starlink has not received major direct broadband-deployment subsidies from programs such as the [Rural Digital Opportunity Fund](#) — despite initially winning, and later being [denied](#), nearly \$900 million in RDOF support — it benefits from substantial [government contracts](#), including military and defense-related agreements. In addition, its parent company, SpaceX, has received extensive government funding and contracts over the years.

Nonetheless, Starlink succeeded not through mandates or redistribution, but by meeting consumer demand through innovation. Similar advances continue across the industry as [competition](#) drives providers to expand coverage, improve reliability, and lower prices. By contrast, government spending billions on today’s broadband infrastructure, [picking winners and losers](#), risks locking taxpayers into technologies that will soon be [outdated](#), while stifling future innovation.



Failed Government Programs

The now-defunct [Affordable Connectivity Program \(ACP\)](#) further demonstrates the pitfalls of government-subsidized internet. Administered by the Federal Communications Commission (FCC), the ACP provided monthly discounts of up to \$30 for eligible households ([23 million](#) Americans relied on that subsidy) — and up to \$75 for those on tribal lands — along with taxpayer-funded device subsidies. Congress rightfully allowed the program to [expire](#) on June 1, 2024, after refusing to appropriate additional funding, underscoring its unsustainable nature.

Even as the FCC wound the program down, it warned consumers that some internet providers continued [advertising](#) ACP benefits and collecting personal information despite the subsidy's expiration, a predictable byproduct of government entanglement with private markets. Far from creating lasting affordability, the ACP fostered dependency on temporary subsidies, distorted pricing signals, and [transferred costs to taxpayers](#) who neither benefited from nor consented to the program where costs outweighed the benefits. Like other broadband handouts, the ACP treated internet access as an entitlement rather than a service best delivered through competition, innovation, and voluntary exchange.

Net Neutrality and Federal Control

Government-subsidized broadband also fuels renewed calls for “[net neutrality](#)” regulations. Marketed as consumer protection, [net neutrality](#) or similar regulations invites federal or state control over internet infrastructure, pricing, and content delivery. By classifying internet service providers as public utilities under [Title II of the Communications Act](#), the federal government claims sweeping regulatory authority over a sector it was never constitutionally empowered to oversee.

Such regulation discourages private investment, slows innovation, and opens the door to content moderation and viewpoint discrimination dictated by unelected bureaucrats. Internet innovation flourished precisely because it developed outside government control. “Net neutrality” regulations reverse that model, replacing competition with centralized regulation and political influence over digital speech and commerce.

Globalism vs. God-given Rights

The idea of redefining broadband as a government-guaranteed “right” is [not new](#). In the summer of 2016, the United Nations took a step toward redefining internet access as a so-called [human right](#) by expanding its interpretation of Article 19 of the [Universal Declaration of Human Rights](#). Its intent is unmistakable: to pressure nation-states to treat internet access not as a service provided through markets, but as an entitlement guaranteed by government. Like other UN initiatives tied to [Agenda 2030](#) and the [Sustainable Development Goals](#), this effort seeks to use international norms to reshape domestic policy, eroding national sovereignty and laying the groundwork for expanded government control over communication infrastructure under the banner of “human rights.”

In 2010, [Finland](#) declared broadband a legal right, making the government responsible for guaranteeing a minimum connection speed to every household. That move reflected an international trend toward redefining modern conveniences as entitlements enforceable by the state. In the United States, the Obama administration used [stimulus funds](#) to subsidize internet access — despite the [Constitution](#) providing no authority for such spending — illustrating how quickly policymakers attempt to elevate conveniences into entitlements.



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This shift reflects a fundamental departure from the American understanding of [rights](#). [God-given rights](#) — such as life, liberty, and property — do not require government provision; they merely require government restraint. They can be exercised by all without compelling others to surrender their property or labor. “Positive” rights, by contrast, demand government action and redistribution. Declaring internet access a right means forcing some citizens to subsidize access for others, transforming liberty into entitlement and markets into mandates. Broadband subsidies thus fit squarely within a global effort to redefine rights in a manner divorced from the Founders’ vision of limited government and incompatible with a constitutional republic.

Constitutional Problems

No matter how well-intentioned, broadband subsidies fail the constitutional test. [Article I, Section 8](#) of the U.S. Constitution delegates no authority to Congress to fund or regulate internet access or transfer wealth to favored industries in the name of “connectivity.” As James Madison explained in [The Federalist, No. 45](#), “The powers delegated by the proposed Constitution to the federal government are few and defined,” while those reserved to the states are “numerous and indefinite.” Subsidizing broadband infrastructure or consumer Internet access falls squarely outside those few [enumerated powers](#) and instead represents the kind of expansive federal authority that the Founders explicitly rejected.

When states accept federal broadband funds, they become accomplices to this usurpation. Federal money always comes with [strings](#) — mandates, compliance regimes, reporting requirements, and long-term dependency. What begins as [“free money”](#) inevitably results in permanent federal influence over state infrastructure and policy. Powers not delegated to the federal government are reserved to the states or the people. Internet access, like food, housing, or transportation, is not a constitutional entitlement to be supplied by government.

Step Toward Socialism

Beyond constitutional violations, broadband subsidies mark another step toward socialism — the gradual replacement of voluntary exchange with government planning. By redefining internet access as something government must guarantee, lawmakers shift responsibility away from individuals, families, and markets and toward bureaucracy.

This shift fosters dependency, expands government, and erodes liberty. Control over communication infrastructure has historically been a precursor to broader political control. A population reliant on government for access to information is easier to regulate, monitor, and manage.

Real Solutions

If lawmakers genuinely wish to expand internet access without violating the Constitution or distorting markets, the solutions are clear:

- *Get Government Out of the Way*: Reduce regulatory barriers that discourage private investment and innovation.
- *End Corporate Welfare*: Stop funneling taxpayer money to favored providers under the banner of “equity.”
- *Protect the Free Market*: Allow competition — not subsidies — to determine success.
- *Respect the Constitution*: Reject federal overreach and refuse funds tied to unconstitutional programs.
- *Encourage Innovation*: Let emerging technologies, not government mandates, solve connectivity



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challenges.

The internet thrives because of freedom, not government planning. Every major advance in connectivity has come from private innovation, not public subsidy. Treating broadband as a government-managed utility undermines both liberty and progress.

Americans should reject the false choice between access and the Constitution. We can have innovation, affordability, and expansion without corporate welfare, socialism, or federal usurpation. The solution is not more government, but more freedom.

To learn more about how your state and federal legislators vote on issues of constitutional importance, visit The New American's [Freedom Index](#) and state [Legislative Scorecards](#). You can also stay informed about what is happening in your state legislature and in Congress by signing up for legislative alerts [here](#).

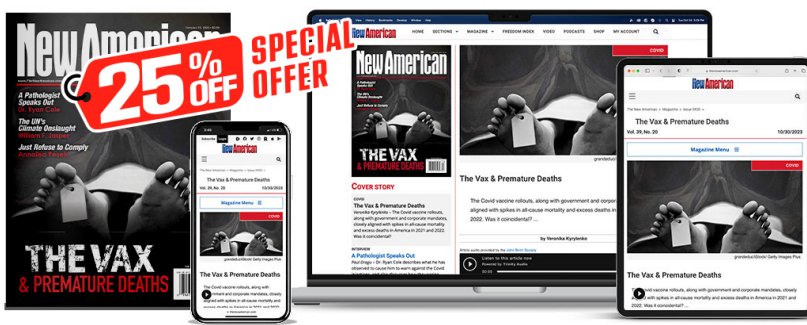


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