Internet service plans will soon come with 'nutrition' labels. Here's what you need to know.

FCC goal is to make choices easier to understand

Chris Velazco 7:00 a.m. EST



An example provided by the Federal Communications Commission. (FCC and iStock/Washington Post illustration)

Last month, four members of the Federal Communications Commission unanimously agreed to move ahead with a proposal for broadband Internet "nutrition" labels. The idea is all about transparency — rather than make you dig around for the details, the idea goes, Internet service providers will be required to offer clear, straightforward explanations of their plans and

services before you sign anything.

If any of this sounds familiar, it's because regulators have been trying to make these labels happen for years. (At one point, the Obama-era FCC pushed the idea as a voluntary measure, which current Chair Jessica Rosenworcel admits "never got that far.") Now, because of the concept's inclusion in the Biden administration's <u>massive infrastructure bill</u>, the FCC has to have final rules for the labels in place by November.

But what will those labels actually do for us? Here's what you need to know about them, and what they might mean for your Internet bill.

Lots. The FCC's plan is to adapt an earlier design proposed for these labels that include prices for specific plans, data speeds, introductory rates, one-time costs like activation, early termination fees and more. And if the agency gets its way, these labels might actually look like the ones on the sides of cereal boxes. (At least, that's what the <u>examples they've shown off so far</u> look like.)

Some of the details the labels should contain are fairly obvious, but some of them are important and don't always get talked about enough. Consider these examples:

Monthly data allowance: Some Internet service providers have plans with built-in limits on how much data you can consume in a single month. Comcast's Xfinity, for example, enforces a 1.2 terabyte cap on most home Internet plans <u>outside the Northeast</u>. That came as a surprise to me when I moved to San Francisco.

If your Internet plan has this kind of limit, the label will also spell out the overage fees you may need to pay.

Rental costs: You may not frequently think about the box — or boxes — that bring you the Internet, but they might be costing you. Many Internet service providers charge customers monthly to rent their modems, routers, or both, but buying your own hardware (and maybe even selling it later) is often a better value.

And that may just be the start. Because the labels are based on a proposal from 2016, the FCC is openly seeking input about what other tidbits these labels should contain. If there are other things you'd like these labels to highlight, or if you have an experience related to picking out broadband plans you want to share, do us all a favor: think about <u>filing a public comment</u> for the agency to consider.

How Internet and TV providers get away with jacking up your bill

Where will these labels live?

For now, the FCC wants these labels to appear at "points of sale," both online and in physical locations. That way, you should have all the detail needed to really think things through before signing a contract.

As always, though, the devil is in the details.

In its <u>notice of proposed rulemaking</u>, for example, the agency wonders whether it should require Internet service providers, or ISPs, to supply hard copies of these labels to customers in stores. Later, it floats the idea of including these labels in "bills or other communications about changes in service."

That list of questions goes on for a while. What about on websites? At a minimum, the agency says it will propose that companies "disclose the labels of any broadband service presented to consumers on an ISP's website when

a consumer browses service options," but there are lots of fine details to work out beyond that.

Should these companies have to display the labels prominently, or can they hide them behind a link you'll need to click on? Where else on those websites should the labels be displayed? Should the FCC require internet providers to optimize their websites so that search engines can more easily find those labels?

Those are the kinds of practical matters that will need to be ironed out over the next few months. And as with the contents of these labels, the FCC is open to <u>hearing your opinions</u> on where they should go.

Will these help me save money on my Internet service?

On one hand, transparency is a big deal. Seeing more clearly what your Internet plan does (and doesn't) offer could make it easier for you to trim features and add-ons you don't really need. That's a plus. And if nothing else, it should give you a better understanding of why your bill costs as much as it does each month. That might inspire you to save money by, say, buying your own router or dropping to a less expensive plan with the same company.

In theory, these labels should also make it easier to directly compare plans from one Internet service provider to another, which could help keep you from overpaying every month. The reason I say "in theory" is because many Americans — myself included — don't really have a say in what Internet service they use.

Instead, they make do with the limited (and sometimes uncontested) options available to them in their towns and counties. The executive order President Biden <u>signed in July</u> to promote "competition in the American economy"

noted that 200 million people in the United States "live in an area with only one or two reliable high-speed Internet providers." Meanwhile, some reports suggest that <u>close to half that number</u> have access to just one ISP.

These new labels will make some people's decisions easier, but there's a limit to how helpful they can be when you know you're stuck with the same internet company no matter what.