

ITCI Industry Watch

AI Growth Impacts

The rapid rise of Artificial Intelligence (AI) and automated traffic is beginning to reshape the broadband industry. Recent reports are making it clear that network growth is no longer being driven primarily by human behavior. Instead, a growing share of internet traffic now comes from machines - AI systems, bots, and automated processes - that operate continuously. For broadband providers, this introduces a fundamental shift. Historically, network demand followed predictable human patterns, with peak usage occurring during evening hours when customers streamed video or used online services. Today, AI-driven traffic operates around the clock, creating a more constant load on networks. This change complicates capacity planning and places strain on backbone and middle-mile infrastructure, particularly for smaller rural providers that may not have the same level of redundancy or scalability as larger carriers.

At the center of this shift is the rapid expansion of AI platforms from companies like OpenAI, Google, and Anthropic. These organizations rely on large-scale data collection and continuous system interaction to train and operate their models. As a result, broadband networks are seeing increased volumes of automated requests. Much of this activity occurs in the background, without direct visibility to end users, yet it consumes meaningful network resources, particularly upstream capacity, which has traditionally been less utilized in residential networks.

This creates a mismatch between usage and revenue. Broadband business models have been built around the assumption that human customers generate traffic and pay for access. However, as machine-generated traffic grows, providers are increasingly carrying significant volumes of data that are not directly tied to additional subscriber revenue. In effect, networks may be absorbing the operational costs of supporting AI ecosystems without a proportional increase in income, raising broader questions about long-term sustainability and cost recovery.

These changes are not only technical but also regulatory. As AI generated traffic becomes a dominant force, policymakers, including the FCC, are going to face increasing pressure to revisit longstanding frameworks around network neutrality, interconnection, and universal service.

Questions are already emerging about whether high-volume AI traffic should be treated differently, and whether large technology companies should contribute more directly to the infrastructure their services rely on.

Despite these challenges, the shift also presents new opportunities. Broadband providers are well positioned to play a larger role in the evolving digital ecosystem by supporting edge computing, enabling lower-latency AI services, and exploring new arrangements with technology companies. As the definition of a "user" expands to include not just people but also machines, networks themselves may become more integrated into the delivery of intelligent services.

Know Your Customer - Robocall Requirements

The FCC has released a proposal aimed at strengthening efforts to combat illegal robocalls by tightening requirements on voice service providers. In the proposal, the FCC focuses on enhancing "Know Your Customer" (KYC) obligations, emphasizing that originating providers are in the best position to stop unlawful calls before they ever enter the network.

The proposal would require providers to collect and verify more detailed customer information before allowing access to calling services. This includes basic identifying information such as name, address, and government-issued ID, along with additional data for high-volume callers, such as intended use and IP address. The FCC is also considering requiring providers to retain this information for four years and to re-verify customer details when suspicious activity arises. The FCC is proposing fines of up to \$2,500 per illegal call tied to failures in KYC compliance. The proposal reflects a broader regulatory push to shift responsibility upstream to originating providers, with the goal of preventing illegal calls at their source. If adopted, these rules would likely increase compliance obligations—particularly around customer vetting, recordkeeping, and monitoring—while providing clearer expectations for providers seeking to mitigate robocall risks and protect network integrity.



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Form Deadlines

- April 15, 2026 - Performance Testing Certification - 1st Quarter
- May 1, 2026 - IXC Rate Integration Certification
- May 1, 2026 - Form 499Q
- May 29, 2026 - CAF ICC Data Certification
- May 31, 2026 - Form 395

ITCI Industry Events

- April 21-22, 2026 - WSTCA Spring Conference
- April 29, 2026 - MN DEED Broadband Summit
- May 6-7, 2026 - MTA Admin Asst Peer Group
- May 12-14, 2026 - TOC Conference
- May 18-21, 2026 - WSTA Annual Convention

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