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## Press Release

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### NEW PHOENIX CENTER ANALYSIS FINDS THAT BROADBAND PRICES AND SPEEDS IN SINGLE-PROVIDER AREAS BELIE RHETORICAL “MONOPOLY” CHARACTERIZATION

*Data show that customers in these alleged “monopoly” areas are actually reaping the benefits of the rivalry in competitive areas*

WASHINGTON, D.C. – Since the second Bush Administration, something near ubiquitous broadband coverage appears to be a national policy goal. Due to the extraordinary high costs of deploying communications networks in less densely populated areas, some Americans living in rural areas continue to lack access to broadband services while others sometimes lack competitive choice in broadband providers. Though entirely consistent with the basic economics of network deployment, some advocacy groups attribute this pattern of broadband deployment to an unspecified defect in broadband marketplace. In a new study released to today entitled *Rhetoric Aside: What the Data Actually Say About Broadband Deployment*, Phoenix Center Chief Economist Dr. George S. Ford analyzes the Federal Communications Commission’s Form 477 data from 2015 and 2016 to contribute to a more informed and less impassioned take on rural broadband deployment and single-provider markets. Three empirical facts emerge.

First, prices and speeds in single-provider markets belie the rhetorical “monopoly” characterization made by some advocacy groups. The data show that single-provider areas have the same prices as multiple-provider areas. Rather than being a “monopoly” problem, a more accurate characterization of the single-provider areas is that at least one provider is bringing the full benefits of broadband to places that multiple providers have yet to serve.

Second, the deployment of cable broadband services between 2015 and 2016 is disproportionately focused on rural markets. This shift in deployment is encouraging.

Third, despite claims that the larger broadband providers seek to minimize competition between them, the vast majority of their competitive service territories include another large provider of broadband.

Finally, Dr. Ford also briefly reviews a recent study that provides additional and interesting descriptive statistics on deployment in rural markets showing how deployment within rural areas is affected by population density and dominant economic activity. However, Dr. Ford demonstrates that the study’s statistical analysis of broadband’s impact on economic outcomes is faulty and thus ignorable.

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“Access to high-speed Internet service is important and any access is better than none,” says study author and Phoenix Center Chief Economist Dr. George S. Ford. “Even in areas where only one provider offers broadband service, the data indicate that customers pay the same prices as those offered in areas with multiple providers.”

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 18-07, *Rhetoric Aside: What the Data Actually Say About Broadband Deployment*, may be downloaded free from the Phoenix Center’s web page at: <http://www.phoenix-center.org/perspectives/Perspective18-07Final.pdf>.

*The Phoenix Center is a non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of the digital age.*