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Press Release

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PHOENIX CENTER ESTIMATES OVERSTATEMENT OF BROADBAND AVAILABILITY FROM FCC'S FORM 477 DATA

FCC's "All-In" Approach to Census Block Availability Overstates Broadband Coverage by 3.4 Percent or Four Million Homes

WASHINGTON, D.C.—The Federal Communications Commission collects broadband availability data from broadband providers at the census block level, which is the smallest geographic unit used by the Census Bureau for data tabulation. In collecting and reporting these data, it is assumed that if a single home in a census block has access to broadband, then every home in the census block has access to broadband. Plainly, this “all-in assumption” overstates broadband availability to some degree. While this likely overstatement is the source of much discontent and debate, there has been no attempt to date to quantify the magnitude of the overstatement.

In a new analysis released today entitled *Quantifying the Overstatement in Broadband Availability from the Form 477 Data: An Econometric Approach*, Phoenix Center Chief Economist Dr. George S. Ford attempts to quantify, by statistical means, the magnitude of the overstatement of broadband availability resulting from the all-in assumption. Augmenting the Commission’s Form 477 data with cost and demographic data, Dr. Ford’s econometric model estimates that the overstatement rate is a little over 3%. Consequently, of the 120 million homes said to have access to 25-3 Mbps broadband under the all-in assumption, about four million homes may, in fact, not. Dr. Ford also finds that the overstatement rate is much higher in rural areas, as expected, and offers county-level estimates of the overstatement for the State of Wyoming.

“While we know the all-in assumption overstates broadband availability, to date we have had no idea whether the overstatement is large or small,” explains the study’s author Dr. George S. Ford. “My analysis suggests the overstatement is modest at the national level but varies widely between urban and rural areas, as would be expected. Until more precise data collection methods are implemented, my empirical approach may serve to produce reasonable estimates of broadband coverage.”

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 19-03, *Quantifying the Overstatement in Broadband Availability from the Form 477 Data: An Econometric Approach*, may be downloaded free from the Phoenix Center’s web page at: <http://www.phoenix-center.org/perspectives/Perspective19-03Final.pdf>.

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