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## Press Release

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### NEW PHOENIX CENTER ANALYSIS FINDS SIZABLE DECLINES IN BROADBAND PRICES BETWEEN 2015 AND 2020

#### *FCC's Price Survey Data Reveal Large, Statistically-Significant Price Declines Over Time for Broadband Services, Holding Quality Constant*

WASHINGTON, D.C. – In a recent study released by USTelecom entitled *2020 Broadband Pricing Index*, Arthur Menko uses data from the Federal Communications Commission's *Urban Rate Survey* to compare average broadband prices between 2015 and 2020. Adjusting for inflation, the *Menko BPI Study* finds broadband prices for the most popular speed tiers fell by 28.1% and for the fastest speed tiers by 43.9%. These are, obviously, sizable declines.

By comparing prices for the most popular service tiers in 2015 and 2020, the *Menko BPI Study* computes price differences based on services of *unequal* quality. In a new POLICY PERSPECTIVE released today entitled *Are Broadband Prices Declining? A Look at the FCC's Price Survey Data*, Phoenix Center Chief Economist George S. Ford follows the standard methods for constructing a price index using the FCC's *Urban Rate Survey* by comparing prices over time for services of *equal* quality. Dr. Ford uses hedonic methods to construct a price index for years 2015 through 2020. As in the *Menko BPI Study*, Dr. Ford also finds large price declines across a wide range of broadband speeds. According to Dr. Ford's analysis, average broadband prices in the United States declined 36% between 2015 and 2020 when using a Fisher-ideal price index.

"An analysis of the FCC's *Urban Rate Survey* data reveals broadband prices across a wide range of speeds have fallen over time," says study author and Phoenix Center Chief Economist Dr. George S. Ford. "The price reductions are, in most cases, sizable, especially at the higher download speeds popular in today's marketplace."

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 20-07, *Are Broadband Prices Declining? A Look at the FCC's Price Survey Data*, may be downloaded free from the Phoenix Center's web page at: <http://www.phoenix-center.org/perspectives/Perspective20-07Final.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.*