

Broadband Competition Benefits All Consumers

A competitive market for broadband -- one in which multiple service options are available — can lower the cost of broadband and increase quality of service for consumers.

Many Americans Lack Competitive Options for Fixed Broadband

Because too many areas lack competitive providers, consumers pay artificially higher broadband prices.

- The price American consumers pay for broadband is [among the most expensive](#) in the world.
- Over one-third of American households are in a [monopoly market](#), completely lacking a choice in broadband providers.
- Over 35% of American households are in a “[duopoly market](#),” leaving them with only two options for a broadband provider.
- Studies show that prices for bundled packages that include high-speed internet connectivity are about \$25 higher per month than they should be due to lack of sufficient competition.¹

Benefits of Competition

Studies on internet pricing have shown that new service providers, including [municipal networks](#), entering a market can substantially benefit consumers by [lowering costs](#) and increasing the quality of services offered when providers respond to competitive pressure.

- **Kansas City, Missouri.** When a major competitor entered the market in Kansas City, MO, the incumbent cable provider [tripled the speed](#) offered to customers [without increasing the price](#) for consumers.
- **Wilson, North Carolina.** The Federal Communications Commission analyzed the market in Wilson, NC, and determined that residents saved over [\\$1 million per year](#) when the incumbent cable company began competing with a municipal broadband provider entering the market.
- **Longmont, Colorado.** The incumbent cable system in Longmont, CO, [dropped its prices](#) when a municipal service fiber network offered a competitive low rate to subscribers. Consumers in Longmont paid less for internet service compared to areas surrounding Longmont, where the incumbent did not compete with the municipal network.

Competition is an essential component to ensuring that broadband is affordable, reliable, and available universally.

¹ Calculations made by Mark Cooper showing the increase in profit by wireless companies based on earnings before taxation, depreciation, and amortization.