



California
COMMUNITY
Foundation

DIGITAL EQUITY
LOS ANGELES

OCTOBER 2022

SLOWER AND MORE EXPENSIVE

SOUNDING THE ALARM:
DISPARITIES IN ADVERTISED
PRICING FOR FAST, RELIABLE
BROADBAND

Digital Divide: Inequities in Advertised Pricing for Internet Service

Residents of higher poverty communities routinely are offered more expensive, slower service than those in wealthier communities.



BUSINESS

Study finds inequity in internet charges

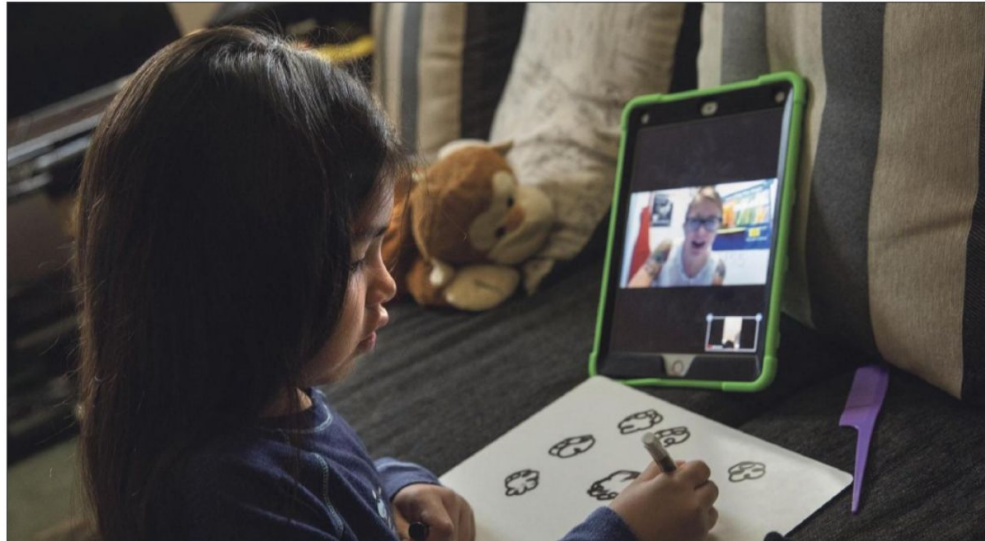
Wealthy enclaves in L.A. County enjoy lower prices than poor ones, report says.

BY SAMANTHA MASUNAGA

The pandemic proved how crucial it is to be connected to the internet.

Without it, students couldn't learn online, residents had a harder time making COVID-19 vaccine appointments and loved ones found it more difficult to stay in touch.

But not everyone in Los Angeles County has equal access to the kind of high-speed broadband that makes these everyday tasks doable. And low-income residents often pay more for the same or worse service



speed plans in every market we serve across 41 states," Johnson said. "And we work continually to upgrade our network and offer faster speeds — which we launch across entire communities at a time, not neighborhood by neighborhood."

Spectrum, AT&T and Frontier noted their participation in the federal Affordable Connectivity Program, which provides monthly broadband discounts to qualifying, low-income households.

Like Spectrum and Frontier, AT&T did not see the report before it was released but said it had invested nearly \$2.6 billion in the Greater L.A. region over a three-year period.

"We are committed to offering affordable, fast connectivity to consumers and businesses in Los Angeles



Findings

Published pricing for Charter Spectrum service shows a **clear and consistent pattern of the provider reserving its best offers - high speed at low cost - for the wealthiest neighborhoods in LA County.**

People who live in higher poverty neighborhoods are not only routinely offered slower service at higher prices, but are offered **contracts with worse terms and conditions.** For example, Charter Spectrum's promotional offers - guaranteeing a period of time before prices will increase - are for two years in wealthy communities, but for just one year in high-poverty communities.

Charter Spectrum's **low-cost plans are not consistently advertised to households in high-poverty neighborhoods.**

Case Study 1: Watts and Manhattan Beach

Poverty Rate: 2%

Spectrum

Services

Need help with your order? Call 1-855-839-4246

SHOW ME OFFERS WITH:

TV Internet Home Phone

Up to 300 Mbps
INTERNET

- Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary

From **\$19.99/mo** for 24 mos.

ADD OFFER

Up to 500 Mbps
INTERNET ULTRA

- Go faster and turbocharge all your devices with Internet Ultra, offering speeds of up to 500 Mbps with no data caps. Wireless speeds may vary

From **\$29.99/mo** for 24 mos.

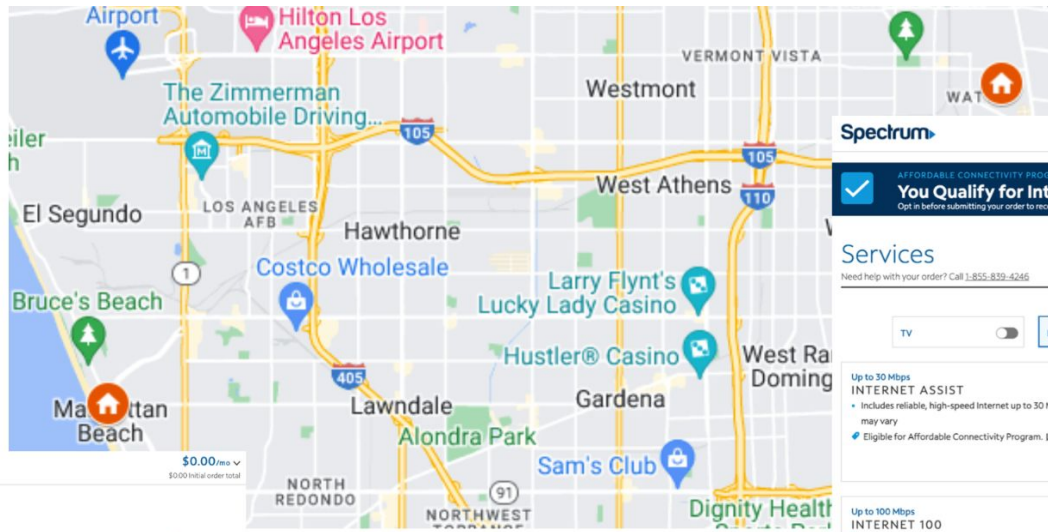
ADD OFFER

Up to 30 Mbps
INTERNET ASSIST

- Includes reliable, high-speed Internet up to 30 Mbps, no data caps and a free modem. Wireless speeds may vary
- Eligible for Affordable Connectivity Program. [Learn more.](#)

From **\$17.99/mo**

ADD OFFER



Poverty Rate: 31%

Spectrum

Services

Need help with your order? Call 1-855-839-4246

SHOW ME OFFERS WITH:

TV Internet Home Phone

Up to 300 Mbps
INTERNET

- Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary
- Eligible for Affordable Connectivity Program. [Learn more.](#)

From **\$49.99/mo** for 24 mos.

ADD OFFER

Up to 500 Mbps
INTERNET ULTRA

- Boost Your Speed With Internet Ultra
- Eligible for Affordable Connectivity Program. [Learn more.](#)

From **\$69.99/mo** for 12 mos.

ADD OFFER

Up to 30 Mbps
INTERNET ASSIST

- Includes reliable, high-speed Internet up to 30 Mbps, no data caps and a free modem. Wireless speeds may vary
- Eligible for Affordable Connectivity Program. [Learn more.](#)

From **\$17.99/mo**

ADD OFFER



Case Study 2: Sylmar

Poverty rate: 7%

Poverty rate: 31%

Spectrum Services

SHOW THE OFFERS WITH:

TV Internet Home Phone

Up to 300 Mbps INTERNET

- Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary.
- \$35/mo savings included for 24 mos.

From **\$19.99/mo**

ADD OFFER

Up to 300 Mbps INTERNET ULTRA

- Go faster and turbocharge all your devices with Internet Ultra, offering speeds of up to 500 Mbps with no data caps. Wireless speeds may vary.
- \$35/mo savings included for 24 mos.

From **\$29.99/mo**

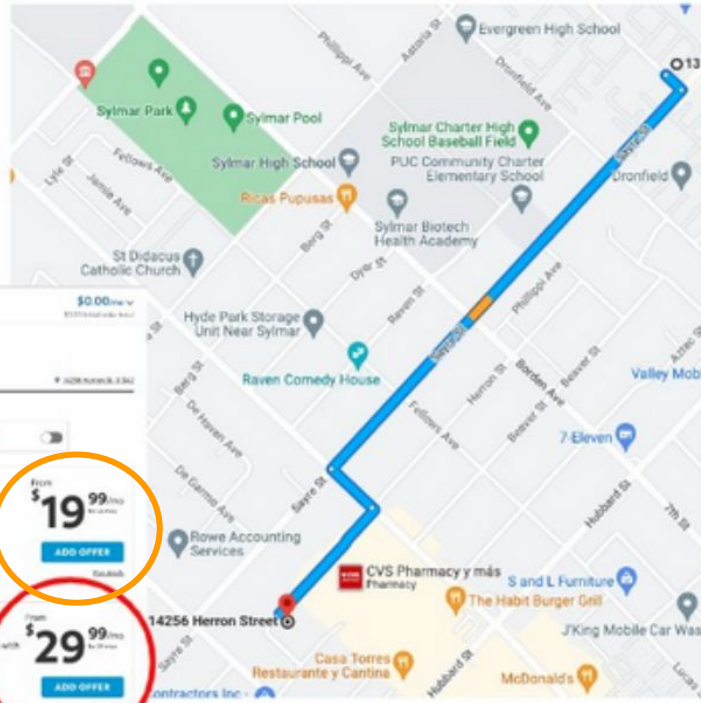
ADD OFFER

Up to 1 Gbps INTERNET GIG

- For the ultimate Internet experience, choose Internet Gig - our fastest speed and size offering up to 1 Gbps. Wireless speeds may vary.
- \$35/mo savings included for 24 mos.

From **\$39.99/mo**

ADD OFFER



Spectrum Services

SHOW THE OFFERS WITH:

TV Internet Home Phone

Up to 30 Mbps INTERNET ASSIST

- Includes reliable, high-speed Internet up to 30 Mbps, no data caps and a free modem. Wireless speeds may vary.
- Eligible for Affordable Connectivity Program. Learn more.

From **\$17.99/mo**

ADD OFFER

Up to 100 Mbps INTERNET 100

- Just a few more with Internet speeds up to 100 Mbps, plenty of bandwidth and no data caps. Wireless speeds may vary.
- \$30/mo savings included for 24 mos.
- Eligible for Affordable Connectivity Program. [LEARN MORE](#).

From **\$29.99/mo**

ADD OFFER

Up to 300 Mbps INTERNET

- Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary.
- \$35/mo savings included for 24 mos.
- Eligible for Affordable Connectivity Program. [LEARN MORE](#).

From **\$49.99/mo**

ADD OFFER

Up to 1 Gbps INTERNET ULTRA

- Go faster and turbocharge all your devices with Internet Ultra, offering speeds of up to 500 Mbps with no data caps. Wireless speeds may vary.
- \$35/mo savings included for 24 mos.
- Eligible for Affordable Connectivity Program. [LEARN MORE](#).

From **\$69.99/mo**

ADD OFFER



Case Study 3: Compton and Mar Vista

Poverty Rate: 1%

Spectrum
\$0.00/mo
\$1000 initial order total

Services
Need help with your order? Call 1-855-839-4246

SHOW ME OFFERS WITH:

- TV
- Internet
- Home Phone

Up to 300 Mbps INTERNET
• Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary

From **\$19.99/mo**
For 24 mos

ADD OFFER

Up to 500 Mbps INTERNET ULTRA
• Go faster and turbocharge all your devices with Internet Ultra, offering speeds of up to 500 Mbps with no data caps. Wireless speeds may vary

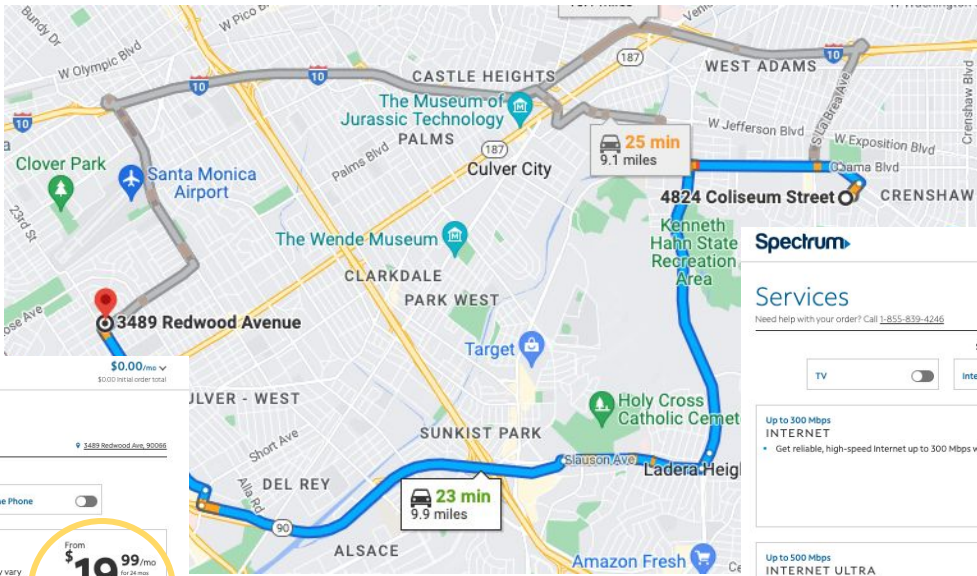
From **\$29.99/mo**
For 24 mos

ADD OFFER

Up to 1 Gbps INTERNET GIG
• For the ultimate Internet experience, choose Internet Gig – our fastest speed available offering up to 1 Gbps. Wireless speeds may vary

From **\$39.99/mo**
For 24 mos

ADD OFFER



Poverty Rate: 30%

Spectrum
\$0.00/mo
\$1000 initial order total

Services
Need help with your order? Call 1-855-839-4246

SHOW ME OFFERS WITH:

- TV
- Internet
- Home Phone

Up to 300 Mbps INTERNET
• Get reliable, high-speed Internet up to 300 Mbps with no data caps. Wireless speeds may vary

From **\$49.99/mo**
For 12 mos

ADD OFFER

Up to 500 Mbps INTERNET ULTRA
• Boost Your Speed With Internet Ultra

From **\$69.99/mo**
For 12 mos

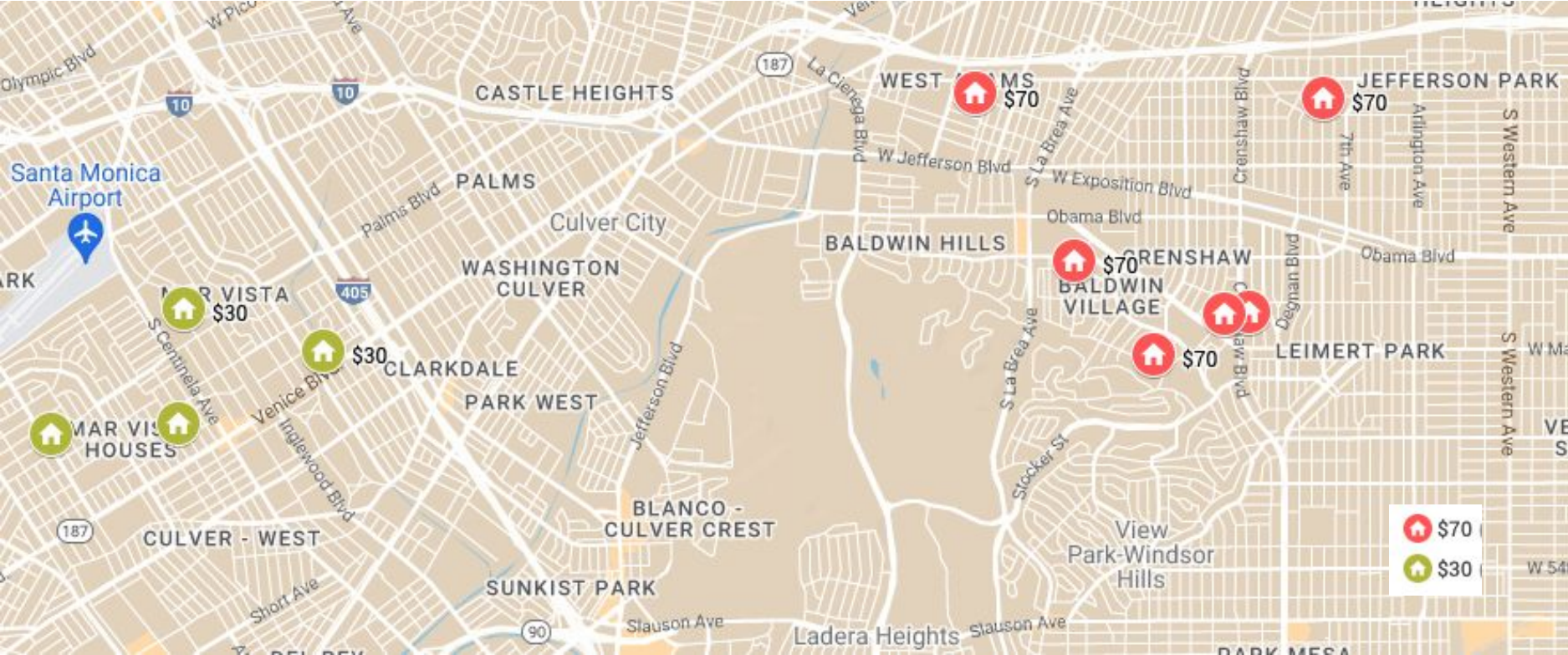
ADD OFFER

Up to 1 Gbps INTERNET GIG
• For the ultimate internet experience, choose Internet Gig – our fastest speed available offering up to 1 Gbps. Wireless speeds may vary

From **\$89.99/mo**
For 12 mos

ADD OFFER

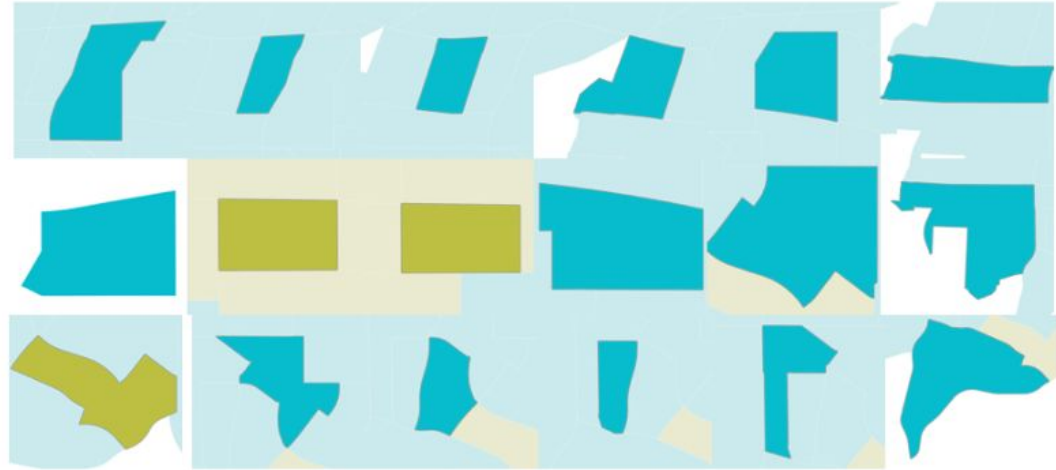
Case Study 4: South LA and Mar Vista



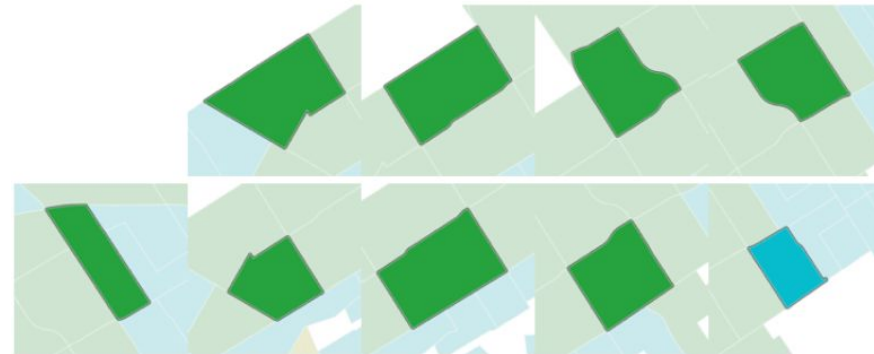
South LA and Mar Vista

Adoption rates are lower where advertised prices are higher

South LA Census Tracts
25/3 household broadband
adoption rate
(per CPUC)

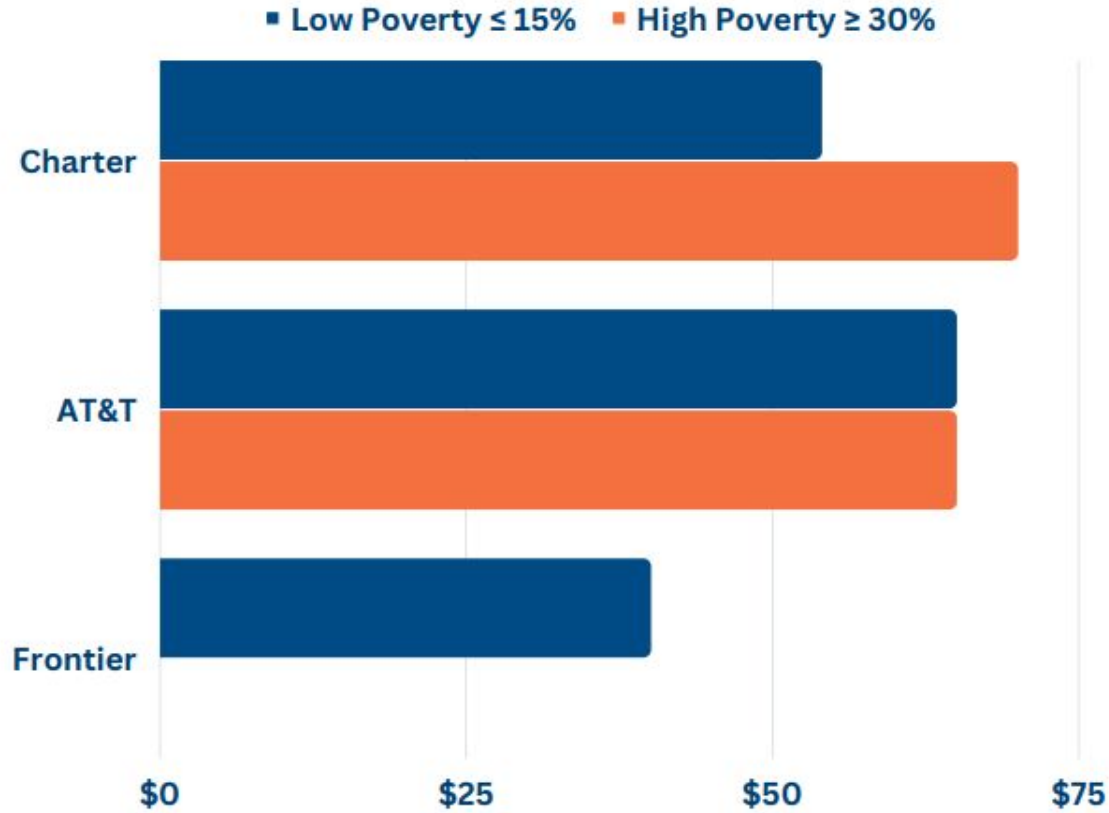


Mar Vista Census Tracts
25/3 household broadband
adoption rate
(per CPUC)



- = 0%
- > 0% and ≤ 20%
- > 20% and ≤ 40%
- > 40% and ≤ 60%
- > 60% and ≤ 80%
- > 80%
- No Broadband Offered

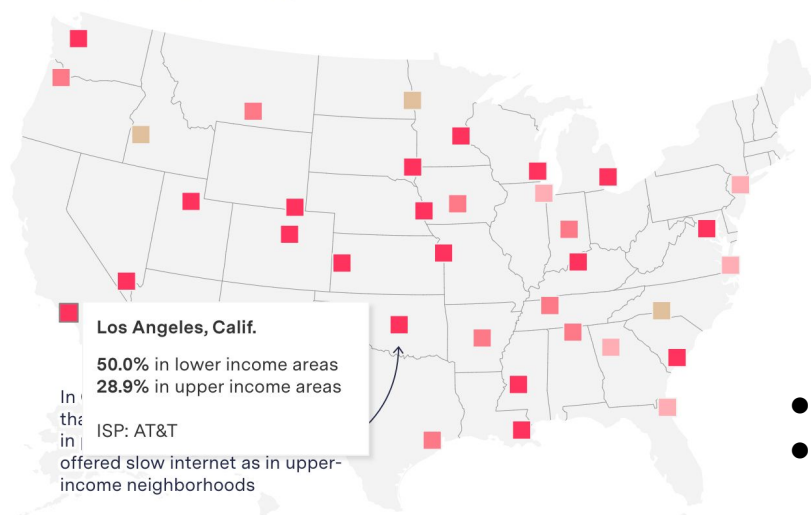
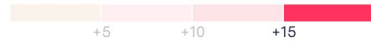
Average price difference: \$16/month more expensive in high poverty communities



Independent research confirms similar patterns for AT&T, CenturyLink

Increase in share of addresses offered slow internet speed in lower-income areas compared to upper-income areas

Gap between areas (percentage points)



Map: Joel Eastwood and Paroma Soni • Source: [The Markup analysis of AT&T, CenturyLink, Verizon](#); [U.S. Census Bureau](#)

Providers offer different speeds for the same price

Price per megabit per second of download speed

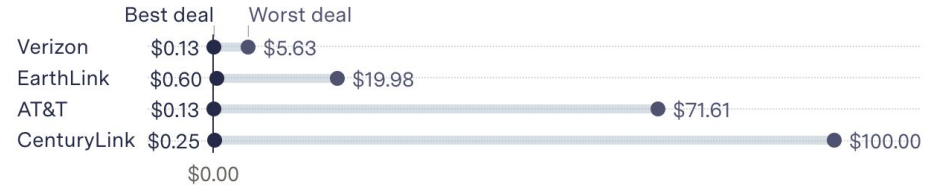


Chart: Joel Eastwood • Source: [The Markup analysis of AT&T, Verizon, CenturyLink, Earthlink](#)

- 850,000+ data points from 38 cities across the country
- “Scraping” advertised offers from ISP websites

Regarding the Affordable Connectivity Subsidy Program

- If pricing to lower income households is higher, then the effectiveness of public subsidies to private companies may be significantly diminished.
- Research published by USC's Dr. Hernan Galperin found that subsidy programs primarily went to households that were already connected, and have not advanced new connectivity.
- Systemic solutions are needed, and bigger picture questions should be addressed.

Urgent need: Collaborate to Understand the Facts

We anticipate that Charter Spectrum will take issue with these findings; the company should not only be required to participate in further public investigations but should welcome them if indeed the grassroots research presented here paints an inaccurate picture. In public on-the-record comments before the Los Angeles County Board and the California Assembly Communications and Conveyance Committee,³⁴ Charter Spectrum government affairs professionals have claimed that they have a national pricing model that affords the same price for the same service to every consumer in their national service area. If that is true, despite what CCF and Digital Equity LA have documented here with screenshots from the Charter Spectrum website, Charter should welcome the opportunity to set the record straight.

-page 23 of the Pricing Disparities Report

CALL TO ACTION

1

Investigate these findings of potentially discriminatory disparities in advertised pricing for fast and reliable internet service and their implications for closing the digital divide.

2

Make equal access the policy of the State of California.

3

Build equal access into state, county, and local procurement policy.

4

Support independent, community-driven options for internet service.
