



How can America's prices for the cable triple play -- (phone, cable TV and ISPbroadband) be almost 10 times more when comparing Consumer Reports' 2019 findings with the data from other countries, highlighted in the <u>European Union Commission</u> recent 2021 report? And, as the report details, even basic stand alone high speed broadband prices overseas are a fraction of what we're paying in the US.

"Overall, Lithuania, Latvia, and Romania have the most attractive prices for broadband internet in the EU....Bulgaria, Poland, Hungary and Slovakia follow; France, Czechia and Italy have low prices especially for Triple Play offers."

The first step of fixing the Digital Divide -- is to make prices affordable and there is nothing in any of the government's plans that is going to fix this.

How is it possible that America's Triple Play is \$150-\$200 a month over what is being charged overseas-- that's over \$2,000.00 a year being charged to families --including low-income families and seniors. This is on top of the fact that there could be only one or no providers of high-speed services in the rural regions or parts of cities.

Will the Biden or state plans fix this discrepancy and dramatically lower rates? Of course not. History shows that AT&T, Verizon and Centurylink, who control the state-by state telecommunications public utilities, never upgraded their wired networks properly and thus never delivered on their promises. There has been no direct competition to Comcast and Charter and the other large cable companies' high-speed services, except in specific areas in cities, but this only creates a 'duopoly', two players that do not compete-they collude and so they all use the exact same model of continuous annual rate increases and made-up fees, and the promotional rates that once they end the providers raise rates 100% or more.

Where are the audits of the companies' books or public hearings to have them explain why triple play services in the European Union cost only \$20-\$45 dollars while the average is now over \$200+ bucks in America. And the EU triple play prices are less than stand alone high-speed broadband in the US!

To be frank, the US approach, with its billions of dollars of government subsidies, is out of control. The "EBB", <u>"Emergency Broadband Benefits"</u>, reimburses the companies at full retail rates, which includes the made-up fees like the Cost Recovery, that is a separate added charge on customer bills, but not mentioned in the advertised price. The most egregious is the "Broadcast and Sports" Fee, up over 820% and adding over \$21.00 a month. This is important because the price savings only occur when a customer 'bundles' the service, and it is impossible to untangle the different fees, taxes and made up surcharges.

In fact, this one made-up added charge is now more than the total cost of a lower-priced triple play overseas.

### **BASIC FINDING: The Us Triple Play (Broadband, Phone, and Cable TV) Averages \$217 A Month and Rising** (CR CABLE BILL REPORT 2019)

**Consumer Reports Study:** <u>How Cable Companies Use Hidden Fees to Raise Prices and</u> <u>Disguise the True Cost of Service</u>

"The average cable bill in our study costs consumers \$217.42 a month. Of this number, a little less than \$157 on average was determined to be the base package price once all fees, taxes, and charges for premium services were subtracted from the total price."

We note that since 2019 there have been multiple rate increases on multiple services, so this average is low and does not reflect these increases.

### Overseas, the EU Basic Triple Play is 18-38 Euros, about \$20-\$43 Dollars.

This chart is taken from the <u>latest European Union Commission report</u>, published in Fall 2021 and for this work, we have maintained a speed range of 30Mbps-100Mbps for downloads. Slower speed access services should cost less.



## Overcharging for the Triple Play and Wired Broadband in America vs the EU.

Converting all of these pricing examples to dollars, one is struck by the massive range between the US and the EU prices for the stand alone broadband access, and the double and triple play service.

**NOTE:** The EU's reports have had a serious flaw — as shown by the red "X"s — The EU did not add the added made-up fees or the removal of the promotional savings in their calculations of the US prices. This is mainly because almost all other countries have restricted made-up additions to the price a customer must pay.

Comparing EU Commission, and Consumer Reports' Pricing for Broadband and the Triple Play, 2021					
(In Dollars)	Broadband	Double	Triple Play	RANGE*	Overcharge
Least Expensive	\$11.80	\$17.60	\$20.48	\$105.92	\$1,271.04
EU Average	\$24.75	\$35.29	\$42.97	\$83.43	\$1,001.16
US Prices	\$56.21	\$98.84	\$126.40	\$174.03	\$2,088.36
Consumer Reports			\$217.00	\$196.52	\$2,358.24
% US Over EU Avg.	227%	280%	294%		
% US Is Over	476%	562%	617%		
Consumer Reports			1059%		
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## The Overcharging?

How is it possible for the US to have prices that are 227%-294% higher than overseas, which has a range of \$83-\$105 dollars extra a month, based on EU collected data. Worse, using the Consumer Reports' total, this can be \$174-\$197 dollars A MONTH above the prices in Europe or other overseas countries.

The column on the right approximates annual excess charges — from \$1,000-\$2,400 dollars annual difference from the prices overseas for the triple play depending on which set of the numbers are examined, i.e., the lowest cost or the costs as compared to the Consumer Reports' findings.

Again, how can America's prices for the triple play be 10 times more when comparing Consumer Reports' 2019 findings to the data from other countries?

# Let's Talk about Overcharging and Keeping the Poor, Poor and America Underserved and Unserved.

There is a national disgrace here. We're being price gouged by the providers; and, instead of halting the billions in annual overcharging, many of the well-intentioned Digital Divide crowd want to give the same companies more money rather than demand investigations and financial audits that will expose the past thirty years of bad acts by the providers. We must come to an understanding that the Congressional and regulatory agency subsidies will never cover the actual cost of the buildout of ubiquitous, universal, symmetrical, broadband and internet access infrastructure to serve all Americans. So, the process must begin now to recover those funds from the providers that have been overcharging consumers.

We must now ask whether these companies, working in concert, have committed corporate fraud and have been aided and abetted by their allies in Congress, state legislatures along with captured federal and state regulatory agencies.

Or maybe you like paying an extra \$100-\$200 a month for your communications services, or due to the pandemic now know that tens of millions of families and businesses throughout America were never properly upgraded and can't get high speed services-- at any cost.