



**PHOENIX** FOR ADVANCED  
LEGAL & ECONOMIC  
C E N T E R PUBLIC POLICY STUDIES  
www.phoenix-center.org

5335 Wisconsin Avenue, NW  
Suite 440  
Washington, D.C. 20015-0234  
Tel: +1 (202) 274-0235  
Fax: +1 (202) 318-4909  
[www.phoenix-center.org](http://www.phoenix-center.org)

## Press Release

Contact: Lawrence J. Spiwak  
Phone: +1 (202) 274-0235

FOR IMMEDIATE RELEASE  
Monday, January 27, 2014

### PHOENIX CENTER DEMONSTRATES THAT MUNICIPAL BROADBAND SYSTEMS DO NOT OFFER LOWER PRICES THAN PRIVATE SECTOR COUNTERPARTS

*Both New America Foundation's and Consumer Federation of America's Claims that Municipal Providers Offer Lower Prices than do Commercial Providers Results From Improperly Comparing the Prices of Unlike Service Packages*

WASHINGTON, D.C. – In a new economic analysis released today entitled *Do Municipal Networks Offer More Attractive Service Offerings than Private Sector Providers? A Review and Expansion of the Evidence*, Phoenix Center Chief Economist Dr. George S. Ford evaluates claims by the New America Foundation and the Consumer Federation of America that municipal wireline broadband service providers offer much more attractive triple-play prices than do commercial broadband service providers. As Dr. Ford demonstrates, the alleged price differentials between the public and private sector are the direct and sole consequence of New America and Consumer Federation improperly comparing the prices of unlike bundles. After correcting for New America's and Consumer Federation's numerous factual and technical errors, Dr. Ford shows that, in actuality, municipal systems typically charge consumers substantially more than their private-sector rivals for very similar triple-play offerings. Dr. Ford's analysis also suggests that the competitive price for a fairly standard triple-play service is about \$100 in the U.S., and the expansion of municipal provision of broadband service won't alone alter that reality.

"The evidence suggests that the government's provision of broadband services does not lead to lower prices," say the study's author and Phoenix Center Chief Economist Dr. George S. Ford. "While municipal entry may serve valid purposes, lower prices do not appear to be one of them."

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 14-01: *Do Municipal Networks Offer More Attractive Service Offerings than Private Sector Providers? A Review and Expansion of the Evidence*, may be downloaded free from the Phoenix Center's web page at: <http://www.phoenix-center.org/perspectives/Perspective14-01Final.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.*

###