

# City of Los Angeles Broadband Pricing Analysis

**Udit Paul, Arpit Gupta and Elizabeth Belding**

Department of Computer Science

University of California Santa Barbara

This work is sponsored by a grant from the National Science Foundation



# Dataset

In April 2023, we analyzed 35k addresses that have access to Spectrum plans in the city of Los Angeles. These addresses are randomly sampled from the LA population where Spectrum provides coverage.

| Total Addresses Analyzed | # Zip codes | #Subscriptions |
|--------------------------|-------------|----------------|
| 35,554                   | 61          | 21,319 (59%)   |

## Available Plans

| Plan Name             | Mbps | Monthly Cost (with ACP) |
|-----------------------|------|-------------------------|
| Internet Assist (ACP) | 30   | 19                      |
| INTERNET 100          | 100  | 29                      |
| INTERNET              | 300  | 49                      |
| INTERNET ULTRA        | 500  | 69 (50, 70)             |
| INTERNET GIG          | 1000 | 89 (70, 90)             |

Only 59% of those who could subscribe to Spectrum actually have subscriptions

# Most Popular Set of Plans Offered

Spectrum

\$0.00/mo  
\$0.00 initial order total

OVER  
\$**400**  
IN SAVINGS!

Spectrum ONE  
Get Internet with FREE WiFi + FREE Mobile  
Included for 12 mos. [Limited time offer.](#)

## Services

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

8307 Winsford Ave, 90045

SHOW ME OFFERS WITH:

TV  Internet  Home Phone

54% of addresses are offered this plan set

### INTERNET 300 Mbps

- Our most popular Internet for remote work, online learning and live streaming with speeds up to **300 Mbps**
- Add Spectrum Advanced WiFi for complete control over your WiFi network.
- NO Contracts, NO Data Caps and a FREE Modem
- [Eligible for Spectrum One savings. See details](#)

\$**49**<sup>99</sup>/mo  
for 12 mos

ADD OFFER

[Plan details](#)

### INTERNET ULTRA 500 Mbps

- Turbocharged Internet for smart home devices and streaming on multiple screens with speeds up to **500 Mbps**
- Add Spectrum Advanced WiFi for complete control over your WiFi network.
- NO Contracts, NO Data Caps and a FREE Modem
- [Eligible for Spectrum One savings. See details](#)

\$**69**<sup>99</sup>/mo  
for 12 mos

ADD OFFER

[Plan details](#)

### INTERNET GIG 1 Gbps

- Our fastest Internet for fully connected smart homes, exceptional gaming and tons of bandwidth with speeds up to **1 Gbps**
- Add Spectrum Advanced WiFi for complete control over your WiFi network.

\$**89**<sup>99</sup>/mo  
for 12 mos

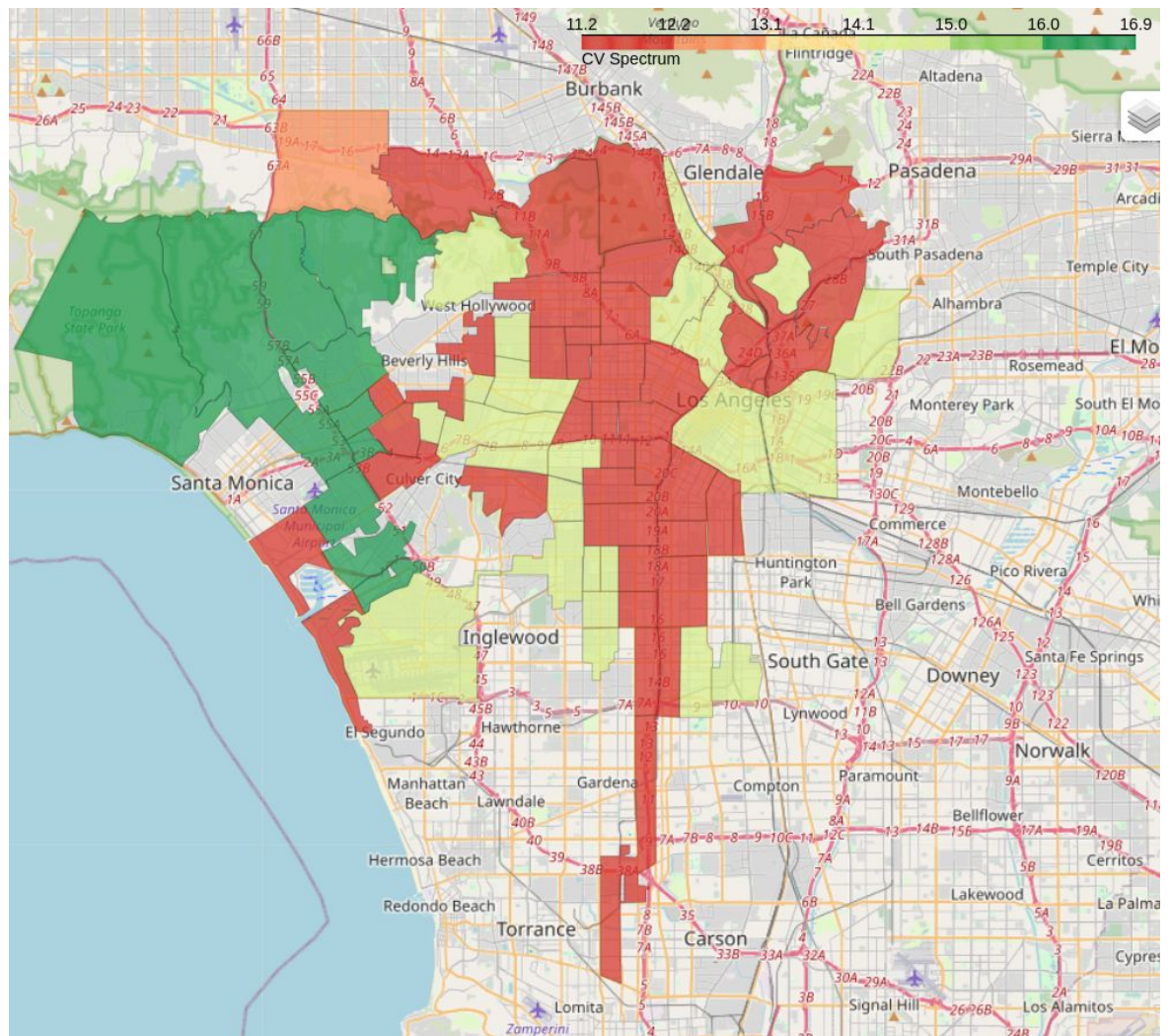
ADD OFFER

# Metric for Evaluation: Carriage Value

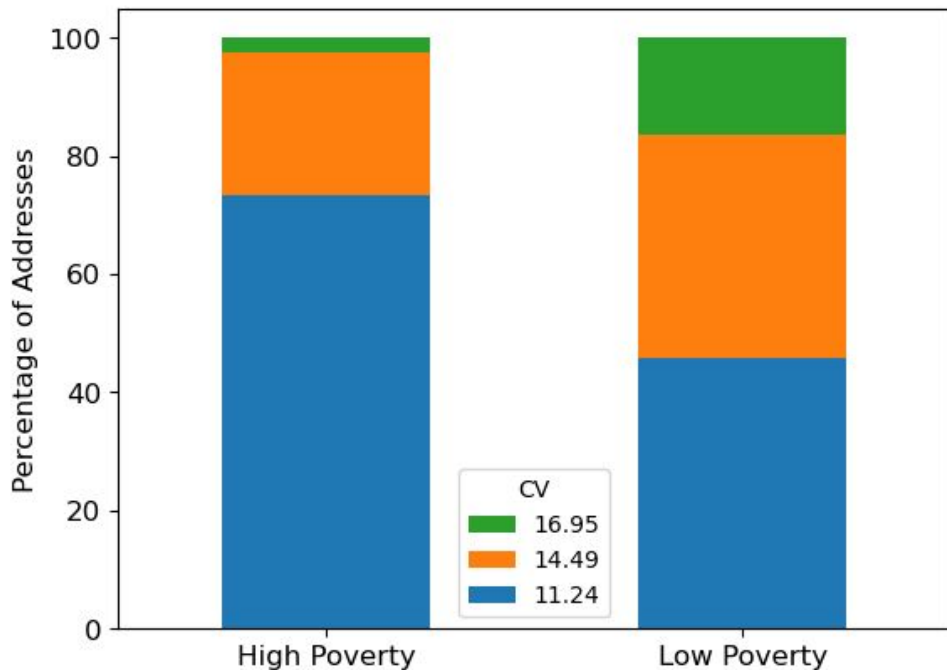
- For every set of offered plans (e.g. download speeds of 100 Mbps, 500 Mbps and 1 Gbps), we calculate the ratio of speed/price (i.e. Mbps/\$)
  - For example, a 500Mbps plan that costs \$69.99/month has a carriage value (cv) of 7.14
  - It is basically a measure of how much speed is purchased for the monthly fee
- If more than one plan is offered to an address, we assign the carriage value to be the maximum speed/price
  - I.e. the most cost effective plan

# CV in LA

**Takeaway:** Wealthier areas receive more bandwidth for less money



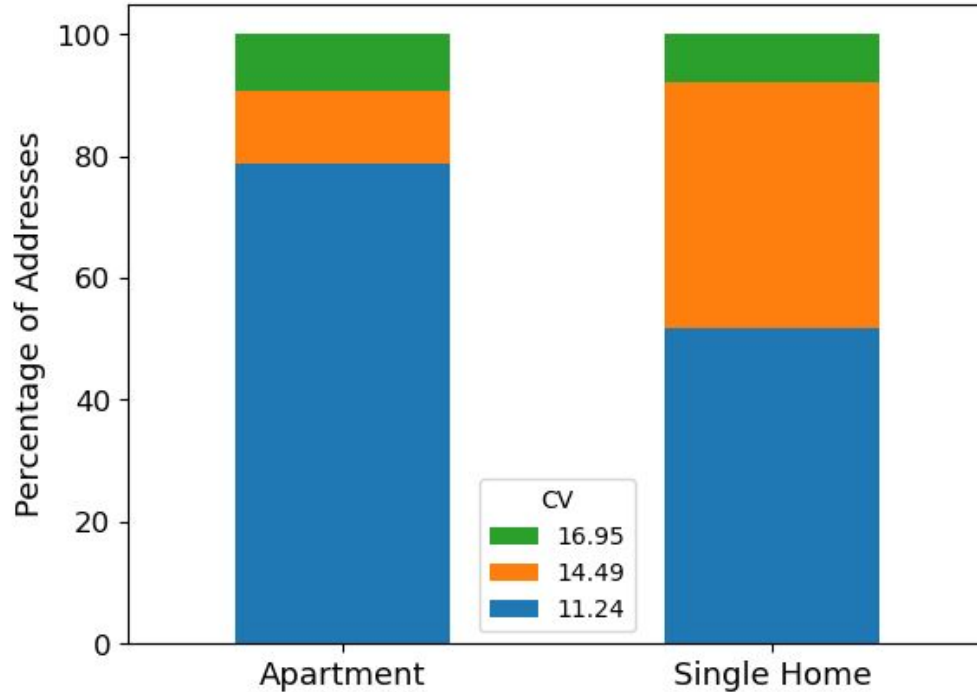
# CV by Census Tract Poverty Level



**16%** of the low-poverty addresses receive the **best valued plan** (cv of 16.95) from Spectrum, compared to only **2%** of the high-poverty addresses

On the other hand, **73%** of the most poor addresses receive the **worst valued plan** (cv of 11.24), compared to only **46%** of the low poverty addresses

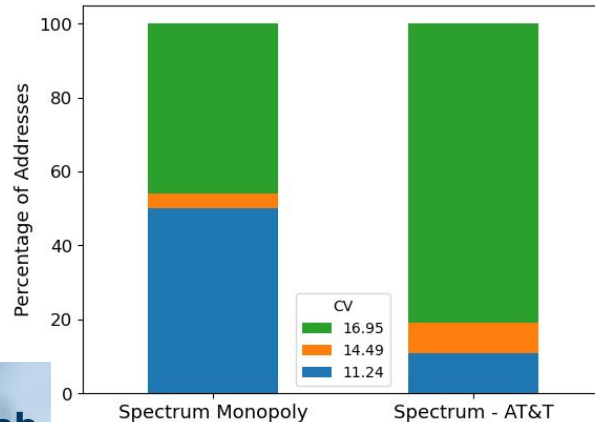
# CV of Apartments vs Single Family Homes



**79%** of apartments receive the **worst valued plan** from Spectrum compared to only **51%** of single-family homes.

# Does Competition\* Impact Carriage Value?

- AT&T provides 2 types of services
  - High carriage value **Fiber** plans
  - Low carriage value **DSL** plans
- We analyze Spectrum's pricing:
  - When it competes with AT&T's fiber plans (Spectrum-AT&T)
  - When there is either no AT&T service or only AT&T DSL (Spectrum-Monopoly)
    - DSL service is so slow, it effectively does not compete with higher speed Spectrum plans
    - So in this category, Spectrum effectively operates as a monopoly



**50%** of the addresses where Spectrum is a monopoly are offered the **best valued plan** (cv of 16.95), compared to **81%** of the addresses that are jointly served by Spectrum and AT&T Fiber.