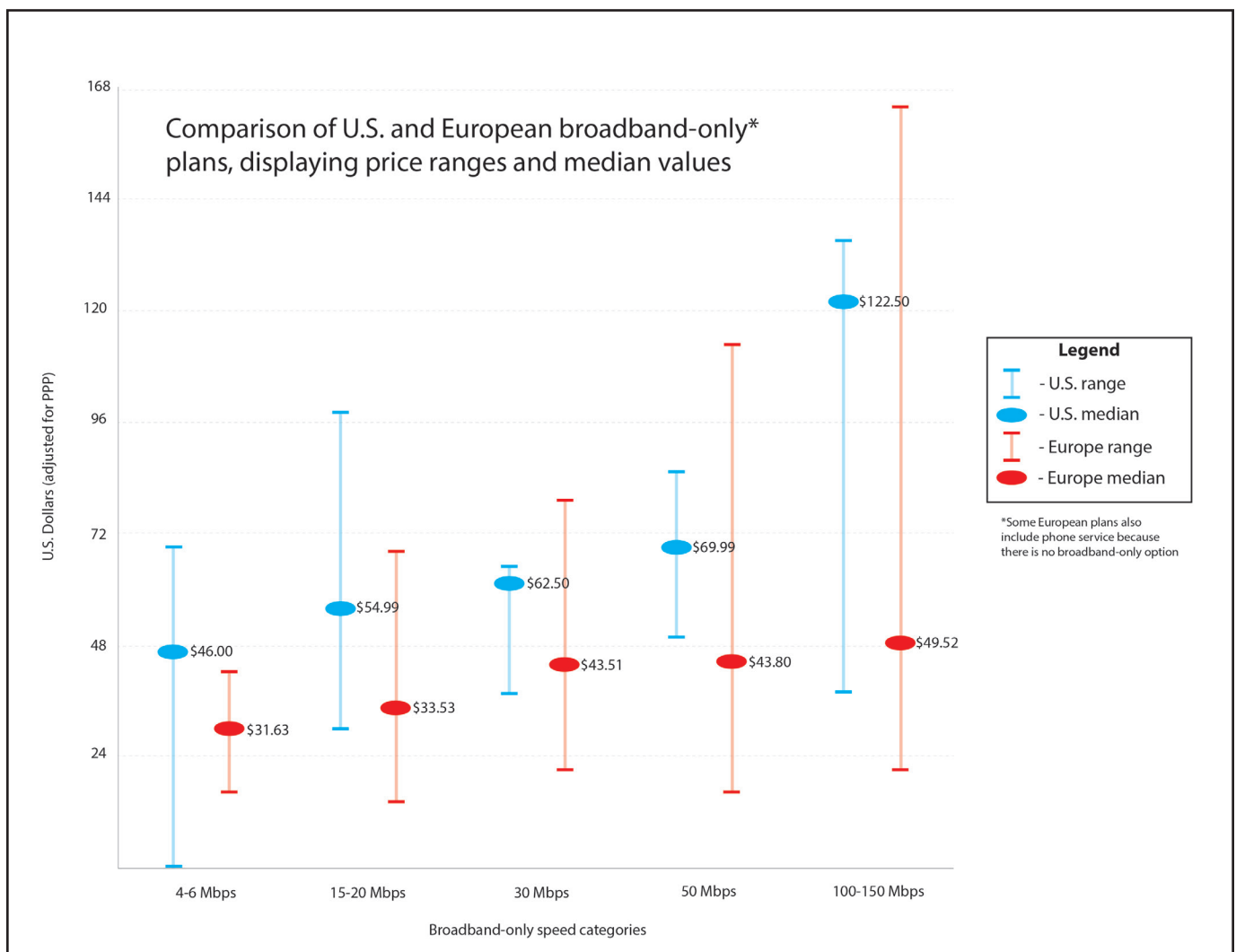


WHAT'S THE REAL COST OF CONNECTIVITY?



The Open Technology Institute researched consumer broadband pricing information for The Cost of Connectivity 2013, in which we replicated the consumer experience of shopping for Internet services in 24 cities across the world. The graphs here compare results collected for the nine U.S. and ten European cities contained in our sample. We arranged the broadband-only plans into categories divided by speed tier, found the range of prices offered at each tier, determined the median price in each range, and plotted them appropriately.

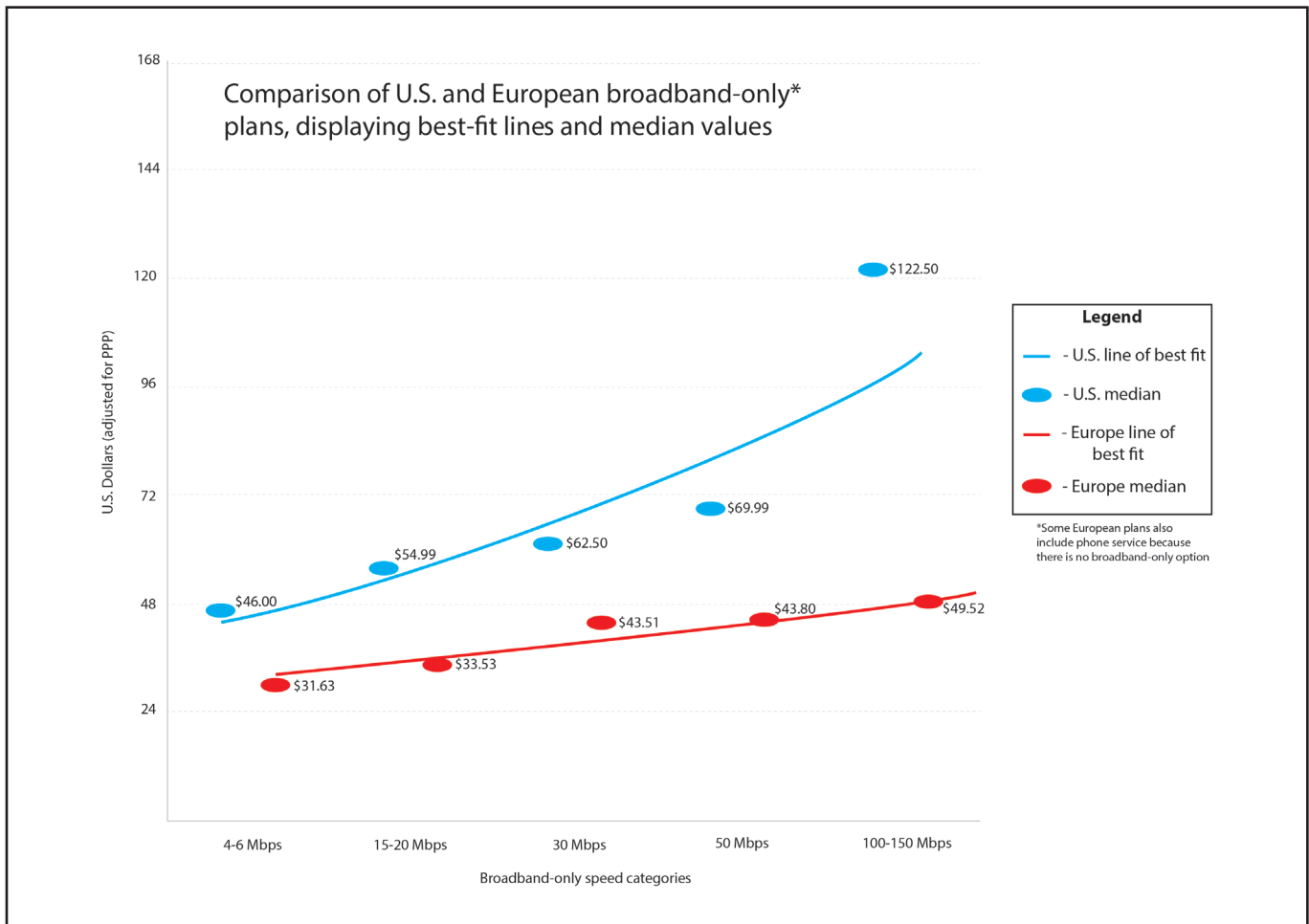
How do U.S. and European price ranges compare?



(Note: the sample size in this comparison is small and not meant to represent national or continental prices in either the United States or Europe, but rather to provide a snapshot of pricing information in each city.)

This graph displays the range of prices and the median price in both Europe and the United States for five speed tiers. It clearly shows that U.S. consumers are generally paying more than their European peers for equivalent speeds. Although some packages are exceptions, the median prices in every single speed tier are noticeably higher for the U.S., which indicates that broadband packages likely tend to be more expensive overall in comparison to Europe.

What's the relationship between U.S. and European prices?



(Note: the sample size in this comparison is small and not meant to represent national or continental prices in either the United States or Europe, but rather to provide a snapshot of pricing information in each city.)

This graph displays the median prices in each speed tier (which are the same as the previous chart) with an exponential fit line laid over the five data points. The U.S. line shows a significantly more exponential relationship among the data points as compared to the much more modest relationship of the European median prices, which is near linear. We would expect that price per megabit should decrease as speeds increase in the U.S. broadband market—this graph shows the inverse to be true.

*For a discussion of the implications of these findings, please view our full report titled **Reining in the Cost of Connectivity** where you can also find our full data set, expanded methodology, analysis of the data, and policy recommendations: http://oti.newamerica.org/publications/policy/reining_in_the_cost_of_connectivity.*