

Poor, less white US neighborhoods get worst internet deals

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A couple of years into the pandemic, Shirley Neville had finally had enough of her shoddy internet service.

"When I was getting ready to use my tablet for a meeting, it was cutting

off and not coming on," said Neville, who lives in a middle-class neighborhood in New Orleans whose residents are almost all Black or Latino.

Neville said she was willing to pay more to be able to Zoom without interruption, so she called AT&T to upgrade her connection. She said she was told there was nothing the company could do.

In her area, AT&T only offers download speeds of 1 megabit per second or less, trapping her in a digital Stone Age. Her internet is so slow that it doesn't meet [Zoom's recommended minimum](#) for group video calls; doesn't come close to [the Federal Communications Commission's definition of broadband](#), currently 25 Mbps; and is worlds below [median home internet speeds](#) in the U.S., which average 167 Mbps.

"In my neighborhood, it's terrible," Neville said.

But that's not the case in other parts of New Orleans. AT&T offers residents of the mostly white, upper-income neighborhood of Lakeview internet speeds almost 400 times faster than Neville's—for the same price: \$55 a month.

The vast gulf between the qualities of service AT&T offered these neighborhoods for the same cost is not a fluke.

The Markup gathered and analyzed more than 800,000 internet service offers from AT&T, Verizon, Earthlink, and CenturyLink in 38 cities across America and found that all four routinely offered fast base speeds at or above 200 Mbps in some neighborhoods for the same price as connections below 25 Mbps in others.

The places neighborhoods offered the worst deals had lower median incomes in nine out of 10 cities in the analysis. In two-thirds of the cities

where The Markup had enough data to compare, the providers gave the worst offers to the least white neighborhoods.

These providers also disproportionately gave the worst offers to formerly redlined areas in every one of the 22 cities examined where [digitized historical maps](#) were available. These are areas a since-disbanded agency created by the federal government in the 1930s had deemed "hazardous" for financial institutions to invest in, often because the residents were Black or poor. Redlining was outlawed in 1968.

By failing to price according to service speed, these companies are demanding some customers pay dramatically higher unit prices of advertised download speed than others. CenturyLink, which showed the most extreme disparities, offered some customers service of 200 Mbps, amounting to as little as \$0.25 per Mbps, but offered others living in the same city only 0.5 Mbps for the same price—a unit price of \$100 per Mbps, or 400 times as much.

Residents of neighborhoods offered the worst deals aren't just being ripped off; they're denied the ability to participate in remote learning, well-paying remote jobs, and even family connection and recreation—ubiquitous elements of modern life.

"It isn't just about the provision of a better service. It's about access to the tools people need to fully participate in our democratic system," said Chad Marlow, senior policy counsel at the ACLU. "That is a far bigger deal and that's what really worries me about what you're finding."

Christopher Lewis, president and CEO of the nonprofit Public Knowledge, which works to expand internet access, said The Markup's analysis shows how far behind the federal government is when it comes to holding internet providers to account. "Nowhere have we seen either the FCC nor the Congress, who ultimately has authority as well, study

competition in the marketplace and pricing to see if consumers are being price gouged or if those service offerings make sense."

None of the providers denied charging the same fee for vastly different internet speeds to different neighborhoods in the same cities. But they said their intentions were not to discriminate against communities of color and that there were other factors to consider.

The industry group USTelecom , speaking on behalf of Verizon, said the cost of maintaining the antiquated equipment used for slow speed service plays a role in its price.

"Fiber can be hundreds of times faster than legacy broadband—but that doesn't mean that legacy networks cost hundreds of times less,"

USTelecom senior vice president Marie Johnson said in an email.

"Operating and maintaining legacy technologies can be more expensive, especially as legacy network components are discontinued by equipment manufacturers."

AT&T spokesperson Jim Greer said in an emailed statement that The Markup's analysis is "fundamentally flawed" because it "clearly ignored our participation in the federal Affordable Connectivity Program and our low-cost Access by AT&T service offerings." That federal program was launched in 2021 and pays up to \$30 a month for internet for low-income residents, or \$75 on tribal lands.

"Any suggestion that we discriminate in providing internet access is blatantly wrong," he said, adding that AT&T plans on spending \$48 billion on service upgrades over the next two years.

[Recent research](#) looking at 30 major cities found only about a third of eligible households had signed up for the federal subsidy, however, and [the majority use it](#) to help cover cellphone bills, which also qualify.

Greer declined to say how many or what percentage of AT&T's internet customers are signed up for either the ACP or the company's own low-cost program for low-income residents.

In a letter to the FCC, [AT&T insisted](#) its high-speed internet deployments are driven by "household density, not median incomes." But when The Markup ran a statistical test controlling for density, it still found AT&T disproportionately offered slower speeds to lower-income areas in three out of four of the 20 cities where we investigated their service.

"We do not engage in discriminatory practices like redlining and find the accusation offensive," Mark Molzen, a spokesperson for CenturyLink's parent company, Lumen, wrote in an email." He said that The Markup's analysis is "deeply flawed" without specifying how. He did not respond to requests for clarification.

EarthLink, which doesn't own internet infrastructure in the examined cities but rather rents capacity from other providers, did not provide an official comment despite repeated requests.

Internet prices are not regulated by the federal government because unlike telephone service, internet service is not considered a utility.

Las Vegas is one city where large swaths of CenturyLink's offers were for slow service. Almost half didn't meet the current federal definition of broadband. These fell disproportionately on Las Vegas's lower-income and least white areas.

"I think it's unfair knowing that it is slow service that we're paying for that is not commensurate with the faster speeds that they have in the other parts of the city that are paying the same price,"

said Las Vegas councilwoman Olivia Diaz. "It just breaks my heart to know we're not getting the best bang for our buck."

Some officials told The Markup they've been yelling for years about bad service for high prices.

"If I was paying \$6 a month," Joshua Edmonds, Detroit's director of digital inclusion, "well you get what you're paying for." But he objects to people being asked to pay premium rates for bad service. "What I pay versus what I get doesn't really make sense."

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