What is the FCC benchmark for internet prices?

How much you pay for internet depends on a lot of factors, including provider, internet type, location, and plan specifics—like speed and data caps. With so many factors to consider, how do you know your plan is a good deal? Luckily, the US government has a way for you to check: a benchmark for internet pricing based on its 2022 Urban Rate Survey of broadband providers.

This benchmark acts like a cap on how much internet companies in the United States *should* charge you monthly for a plan, though most companies charge much less than the benchmark to stay competitive.

When reviewing internet companies, we compare their pricing to these benchmarks to better understand how much value you'll get. You can check out our full methodology if you want to geek out with us. But if you want to better understand how *you* can use the benchmark to ensure you're getting the best deal, here's what you need to know about the FCC internet benchmarks.

[H2] What is broadband internet?

The US government defines broadband internet as any connection that's at least 25 Mbps or faster. It's also known as *high speed internet*, and it's the standard that the government wants all Americans to have. Not all internet companies have to offer broadband speeds, but the government encourages providers to offer 25 Mbps speeds by helping to fund infrastructure for broadband service.

If 25 Mbps sounds painfully slow, you're not wrong. That's because 25 Mbps is the *minimum* broadband speed that most single-person households should have to stay connected. It's plenty of speed for checking email, shopping, banking, browsing for news and other information, enjoying social media, and even watching Netflix. However, larger households filled with people who do more online will want a faster connection.

[H2] What is the FCC?

FCC stands for the Federal Communications Commission, which regulates TV, internet, and radio in the United States. It does that in many ways, including enforcing decency and censorship laws, planning our nation's communications infrastructure, and regulating electronic devices to ensure they don't interfere with communications (known as FCC certification).

¹ "2015 Broadband Progress Report," FCC. Accessed 20 March 2023.

The FCC also protects public access to communications technology. When it comes to internet, that means helping more Americans get broadband internet access for a fair price. And that's what the FCC benchmark for broadband internet pricing is for.

[H2] FCC broadband pricing benchmarks

Every year, the FCC collects pricing data from the nation's internet providers to create the Urban Rate Survey. Then, the FCC crunches the numbers to find the highest price you should ever pay for internet. The FCC creates these benchmarks for various plans that factor in download speed, upload speed, and data caps. Then it shares some of the most common combinations.

Here are some that the FCC shared from 2022's data2:

[H3] Broadband internet benchmark prices

Download speed	Upload speed	Data cap (monthly)	Benchmark
25 Mbps	3 Mbps	500 GB	\$71.09
50 Mbps	5 Mbps	Unlimited	\$82.96
100 Mbps	20 Mbps	500 GB	\$100.74
250 Mbps	25 Mbps	Unlimited	\$120.12
500 Mbps	50 Mbps	Unlimited	\$124.20
1,000 Mbps (1 gig)	500 Mbps	500 GB	\$131.33

More FCC broadband reports

The Urban Rate Survey is just one report the FCC creates to better understand the quality of internet connection available to Americans. Check out the <u>Broadband Progress Report</u> to see broadband availability in your state or county. Or, see whether the nation's largest internet providers deliver advertised speeds with the <u>Measuring Broadband America</u> report.

[H2] What you should know about FCC broadband internet pricing benchmarks

Before you use these benchmarks to shop for a <u>good internet deal</u>, here are a few quirks of the data you should know about. We account for these quirks in our methodology when we rate internet providers, but if you're doing your own comparison, you should be aware of them too.

² "2022 Urban Rate Survey - Fixed Broadband Service," FCC. Accessed 15 February 2023.

[H3] These aren't all the benchmarks

While the FCC report includes 18 benchmarks, we've chosen only a handful to share here. That's because pricing differences depend mainly on download speed: higher speeds mean a higher price. Varying upload speeds and data caps don't change pricing much, so throwing more numbers at you isn't more helpful. When comparing them to plan prices, keep it simple and use the benchmark with the closest download speed to the plans available to you.

Even if you dig into the <u>full FCC Urban Rate Survey report</u>, there's a good chance you won't find a perfect match for the plans you're looking at either. That's because the FCC doesn't include every possible combination in its publication. To create benchmarks, the FCC looked at over 10,000 plan prices. While we'd love to get our eyes on all that data, the truth is that more benchmarks probably wouldn't make comparing internet plans any easier.

[H3] Internet in rural areas will be more expensive

There are limits to the benchmarks because there are limits to the FCC's data. The data focuses on <u>fiber</u>, <u>cable</u>, <u>DSL</u>, and <u>fixed wireless</u> internet plans. The benchmarks don't include <u>satellite</u> <u>internet</u> or mobile internet, which can be much more expensive for slower speeds.

Satellite internet pricing

<u>Satellite internet plans</u> are typically priced differently than other kinds of internet. <u>Viasat</u> and <u>HughesNet</u> base their prices primarily on data caps rather than speed, and buying more data can quickly add hundreds of dollars to your bill if you're not careful.³ <u>Starlink</u> has unlimited data and offers just one plan at one price, but you'll pay hundreds upfront for equipment.

You should also know that the data was taken from only urban areas, where providers can typically serve more people with less overhead. So the benchmarks might feel off if you live in a rural community—or even a suburban one.

Alaskans should know that there's an entirely separate set of benchmarks specifically for them—which you can find in the <u>FCC's full report</u>. Life can be expensive in The Last Frontier, and internet plans follow that trend. Expect to pay \$15 to \$50 more than your cousin in the Lower 48.

[H3] Benchmarks show the highest prices

Although it might look like it, the FCC benchmarks are *not* average prices for internet across the country. Instead, they represent the *highest* prices internet companies should charge. To find each benchmark, the FCC does calculate the average price for similar plans using the benchmark. But then it adds some wiggle room for companies to charge a reasonable amount

³ "Broadband Pricing: What Consumer Reports Learned from 22,000 Internet Bills," Consumer Reports. Accessed 21 February 2023.

above the average. So instead of using the benchmarks to see what most people pay, you can look at them to see the highest you should expect to pay.

But if you're like us, you want to know the average so you can see what most people pay. To find the average, subtract the "wiggle room" from the benchmark. That's \$32.75 for most of the US and \$39.51 for Alaskans. We won't get into the math, but this wiggle room is equal to two standard deviations above the average.

[H3] Average plan prices

Download speed	Upload speed	Data cap (monthly)	Benchmark	Average
25 Mbps	3 Mbps	500 GB	\$71.09	\$39.58
50 Mbps	5 Mbps	Unlimited	\$82.96	\$51.45
100 Mbps	20 Mbps	500 GB	\$100.74	\$69.23
250 Mbps	25 Mbps	Unlimited	\$120.12	\$88.61
500 Mbps	50 Mbps	Unlimited	\$124.20	\$92.69
1,000 Mbps (1 gig)	500 Mbps	500 GB	\$131.33	\$99.82

[H3] Benchmark prices include fees

Let's say you're comparing <u>cable</u> and <u>fiber internet pricing</u> in a big city in the continental US and you find several plans that match one of the ones you see on this page, and you calculate the average price for similar plans. The prices you see out in the world will still be lower than the FCC benchmarks. Probably by a lot. But before you sign up for one of these seemingly amazing deals, you should know that you're not comparing apples to apples.

Here's why: The benchmarks include more fees and surcharges than the prices most competitors advertise. That means your internet bill will almost certainly be more than the advertised price. We try to account for these fees in our provider reviews, but they can vary widely by location, and some providers keep costs hidden. Even our experts can't always track them down.

[H2] How to use the FCC benchmarks for internet pricing

If you're looking for a way to know whether you're getting a good deal on internet, the FCC benchmarks can be a helpful tool. But because of the limitations of the data and how many hidden fees aren't included in most advertised plan prices, that's not as easy as it sounds. We

don't recommend making an apples-to-apples comparison and calling it a day. Here's how we'd use the benchmarks instead:

- 1. **Calculate the averages** and use these instead. Afterall, you're looking for the *best* price, not the highest.
- 2. **Look for hidden fees** that aren't advertised in plan prices. Go through some of the checkout process on the provider's website, ask a customer service representative about additional fees, or ask a trusted neighbor or family member to show you their bill.
- 3. **Compare multiple providers** in your area. The average price for your area might be significantly different than in another place (am I right, Alaska?), so make sure you check out all your options. You can start by using our ZIP code finder to see providers in your area.
- 4. Read our provider reviews. We love it when people are as passionate about researching and comparing internet providers as we are! But we know most people have full lives (and jobs) that don't involve pouring over FCC reports. So if you want to skip the data dive—or you want a second opinion after completing your research—that's what we're here for.

Now that you have the scoop on the FCC broadband internet benchmarks, you'll be better at spotting a great internet deal if you see one. If you're ready to try out your new skills, check out the <u>best internet providers</u>.