

## Column #7 – Saves Money

*Cheaper, Faster, Better*

# **Broadband Saves Money**

*By William Post & Audra Caler-Bell*

Broadband delivered through fiber optic produces faster, better and more reliable internet speeds than copper wires and wireless. The best part is that it can be cheaper at the same time. Here's how.

To have effective streaming capability you need high-speed internet, a smart TV or a streaming device and at least one streaming service. What is "streaming"? At its core, streaming is audio (songs) or video (movies) being transmitted from the internet to your smart phone or TV. Instead of getting news, sports, TV shows or movies through your cable provider, streaming lets you get them directly through your internet connection, assuming it is sufficiently fast and reliable. This is what people refer to as "cutting the cord" – ending your large telecom cable provider relationship and relying on your internet service to choose what content you wish to receive and at what price to fit your budget.

Below are four hypothetical scenarios to illustrate the choices and costs associated with relying on the internet for both your online needs as well as for TV streaming. (We have used advertised costs as of February 11, 2020 in these examples.)

### **Scenario #1 -- The Jones Family**

Deciding whether to switch to fiber for her family of four, Mrs. Jones discovered that a local fiber provider offered speeds of 100 MBPS (megabits per second) for \$55. She is excited about this because unlike her large telecom provider that offers speeds “up to” 50 MBPS, her actual speed has consistently been in the neighborhood of 25 MBPS or less.

While the family does not watch a lot of TV, the kids do homework every evening and the family enjoys sports, news and some movies. Mrs. Jones looked into the many providers that offer streaming services and decided on Sling TV for only \$20 a month and 47 channels. As a bonus, Sling offered a free Amazon Fire Stick for streaming if she committed to two months of Sling TV. Otherwise there are no contracts or commitments.

#### **Scenario #1 Cost Breakdown**

100 MBPS Down / 100 MBPS Up = \$55 per month

Streaming Device = Free Amazon Fire Stick

Streaming Service = Sling TV \$20 per month

**Total Cost = \$75 per month**

### **Scenario #2 -- The Smith Couple**

The Smiths are a retired couple that live comfortably. They love watching TV but don't have a lot of internet needs, though they do depend on Skype to stay in touch with family. Sometimes the Skype video buffers and makes it hard to see or hear the other person on the call. And while they signed up for a large telecom's promotional offer for increased speed, they found that in the second year their costs rocketed upwards to more than \$165 per month.

Mr. Smith checked local broadband providers and discovered that he could get 50 MBPS from one provider for \$50 yet he could get 100 MBPS from a different local provider for \$55. While he did not need the extra speed, he figured for \$5 extra he would take the better deal.

Mr. Smith had heard about something called YouTubeTV. He checked into it and found that he could get all of his local news and sports channels live, and more than 70 channels in total for \$50 per month. Mr. Smith found that his fairly new TV is indeed a Smart TV so he didn't need to purchase a streaming device.

#### **Scenario #2 Cost Breakdown**

100 MBPS Down / 100 MBPS Up = \$55 per month

Streaming Device = none needed

Streaming Service = YouTubeTV \$50 per month

**Total Cost = \$105 per month**

#### **Scenario #3 – Emily Jackson**

Emily is a single mom with a home-based business for which she needs high-speed internet. The large telecom service she has been using is too slow and unreliable for her business needs. So she decided to check out a local broadband provider and found a plan offering 250 MBPS for the price of \$75. She buys everything from Amazon and has an Amazon Prime membership for which she pays \$119 a year for free two-day shipping. Emily found that by being an Amazon Prime member she gets Amazon's video service for no additional cost. She has a Smart TV so she doesn't need a streaming device but she wants to get the local news channels. A friend told her because of her unimpaired location for

the transmissions (iow, no buildings or trees to contend with), she can buy a HD antenna for as little as \$10 to pick up the local channels.

### **Scenario #3 Cost Breakdown**

250 MBPS Down / 250 MBPS Up = \$75

Streaming Device = none needed

HD Antenna for local channels = \$10

Streaming Service = none, included with Amazon Prime

**Total Cost = \$85 per month**

### **Scenario #4 – Emily’s Retired Parents**

Emily was so excited about her reduced expenses that she told her retired parents about it. They too have Amazon Prime membership. Their internet needs were not as extensive as their daughter’s and their reading and other hobbies keep them occupied. For \$55 a month, they took the 100 MBPS deal. While Emily’s parents didn’t think they had much use for the internet, with their now blazing fast speeds her Dad watches free YouTube videos daily while her Mom watches the Food Network online.

### **Scenario #4 Cost Breakdown**

100 MBPS Down / 100 MBPS Up = \$55

Streaming Device = none needed

Streaming Service = none, included with Amazon Prime

**Total Cost = \$55 per month**

With high-speed internet through broadband, you can access an endless and unlimited amount of online content, transform the way in which you access TV entertainment for less than what you

are paying through the large telecom companies for what invariably is inferior cable and internet service.

*This is the seventh in a series of articles generated by a joint ad hoc working group of Camden and Rockport elected officials, staff and volunteer residents exploring the options for cheaper, faster, better internet service. This series is intended to generate dialogue, initiate questions, and help residents and policymakers determine what is best for our respective communities. Please contact your respective Town Managers with comments or questions: William Post (Rockport Town Manager) [wpost@rockportmaine.gov](mailto:wpost@rockportmaine.gov) or Audra Caler-Bell (Camden Town Manager) [ACaler-Bell@camdenmaine.gov](mailto:ACaler-Bell@camdenmaine.gov).*

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