

Don't Restrict Broadband for Rural America

Senator Daines has proposed an amendment to the 2018 Farm Bill would prevent funding for the construction of modern, high-speed broadband systems in areas of the nation that are already served by government-subsidized providers – even if the current service does not meet 21st century needs. This short-sighted approach threatens to expand the digital divide and leave certain rural communities further behind their urban peers.

Broadband Policy Recommendation: 4 Success Factors

1. Additional financing support with a combination of grants and loans.
2. All capable providers should have equal access to federal funding, regardless of technology.
3. Grants should prioritize projects in areas with the lowest population density given that is a prime cost driver for rural broadband deployment.
4. Broadband systems funded with federal money should meet the growing speed and data consumption needs of today and into the future.

Talking Points:

- **Existing federal programs have failed to solve the rural broadband problem. We need a new approach.**
 - Since 2001, the FCC has used the Universal Service Fund to give more than \$114 billion to telecom companies that build out rural communications infrastructure. But the digital divide still plagues our nation. At least twenty-three million rural Americans still lack broadband access.
 - The FCC relies on self-reported and unverified data to determine broadband availability across the nation. This data overestimates the level of service available in rural areas and should not be the sole point of reference to determine if an area is served or unserved.
- **Proposals that prevent federal funding to rural areas with substandard broadband service maintain the status quo and widen the digital divide.**
 - In the 21st century economy, broadband systems built to 10/1 or slower speeds cannot support a modern household or attract and retain businesses.
- **Congress should support investment in forward-looking, modern broadband systems that will stand the test of time.**
 - Bridging the digital divide requires an all-inclusive approach to solutions in unserved and underserved areas. It is critical that these solutions recognize the need to remain viable for years into the future.
- **We share the goal of efficiently using precious federal dollars to reach those who need it most.**
 - Our policy recommendations offer the right incentives to encourage providers to serve the hardest to reach areas.
 - The proposed amendment would lock in “second-class” service for years to come.
- **Restrictions on “broadband infrastructure” could limit our ability to deploy fiber-speed “smart grid” technology to modernize the grid, regardless of whether it is used to build a retail broadband system.**
 - Smart grid technology helps electric co-ops better manage their systems, respond to outages, identify cyber threats, deploy renewables, and integrate new energy-efficiency technology that saves our members money.