

Electric Co-ops Part of Solution to Expand Rural Broadband

Key Facts:

- **Sustained federal investment in broadband**
Broadband should be available to all Americans by providing additional financing support through existing grant and loan programs that:
 - Ensure all areas lacking 25/3 Mbps fixed, terrestrial service are eligible for broadband funds.
 - Prioritize grants to projects in areas with the lowest population densities.
 - Ensure federally funded broadband systems meet the future speed and data needs.
- **Implement recent law to create more accurate broadband availability maps**
Congress and federal agencies should continue to encourage more accurate and granular reporting of broadband coverage data to highlight service gaps by implementing the Broadband DATA Act passed into law in March 2020. FCC Form 477 data is self-reported by industry and unverified, resulting in over-estimating broadband availability.

Broadband Expansion Would Jump-Start, Diversify Rural Development

Millions of rural Americans are locked out of the modern economy simply because of their zip code. According to the FCC, an estimated 6.3 million households in electric co-op service areas lack high-speed internet access. These rural families and businesses are fighting an uphill battle in the digital economy. Recent researchⁱ shows that a lack of rural broadband to those unserved co-op households leads to \$68 billion in lost economic value over 20 years.

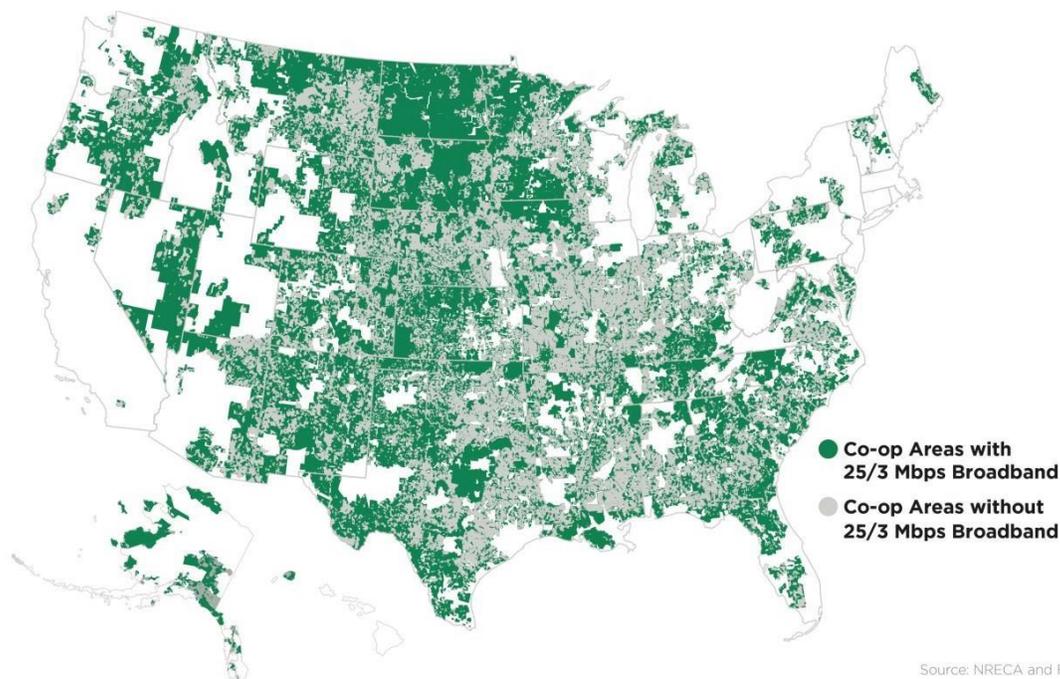
The economic benefits of broadband to rural America are staggering with research showing that one dollar invested in rural broadband returns nearly \$4 to one state's economy. Analysis also shows the state could reap nearly \$12 billion in net economic benefits over a 20-year period if an investment were made to extend rural broadband statewide.ⁱⁱ

Electric Co-ops are Committed to Rural America, Part of the Broadband Solution

Electric cooperatives are committed to rural America. They are led by, and belong to, the communities that they serve. More than 150 electric co-ops are working toward meaningful and diverse solutions to bridge the digital divide and jump-start local economies. This cooperative commitment is vital for some 30 percent of rural Americans that still lack access to broadband, compared to 2 percent in urban areas.

According to the [FCC](#), 40 percent of all U.S. schools lack meaningful broadband access; more than three-quarters are rural or small-town schools. Sixty percent of health care facilities outside of metropolitan areas lack broadband access, according to [The Journal of Rural Health](#).

Electric Co-op Service Areas Without 25/3 Mbps Broadband Access



Progress is Being Made, But More Policy Support Is Required

Recent federal policy actions lay the groundwork for an improved approach to making broadband a reality across rural America. These developments include:

- Electric co-ops participated in the FCC’s CAF II Reverse Auction for the first time in 2018, winning about 30 percent of all bids.
- USDA launched the ReConnect rural broadband pilot program, funded each fiscal year since being established by Congress in 2018.
- The Farm Bill includes provisions allowing broadband applicants to pair USDA grants with other types of financing, both within and outside of USDA, and designates areas unserved with 25/3 Mbps as eligible for funding.
- Electric co-ops are anticipated to be active and competitive in the planned FCC Rural Digital Opportunity Fund, which will award up to \$20.4 billion over a ten-year support term via competitive auction to provide up to gigabit service to nearly 6 million unserved Americans.

These improvements set the stage for a brighter and more prosperous rural America. In order to build upon that progress, electric co-ops:

- Urge sustained investment in broadband programs targeting federal resources at unserved and underserved communities to reach our shared goal of universal broadband access.
- Look forward to working with policymakers to improve broadband data collection to clarify existing gaps in coverage.

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ⁱ “Unlocking the Value of Broadband for Electric Cooperative Consumer-Members,” NRECA, September 2018.

ⁱⁱ “Estimation of the Net Benefits of Indiana Statewide Adoption of Rural Broadband,” Purdue University, August 2018.