

Electric Co-ops Part of Solution to Expand Rural Broadband

Key Facts:

- Congress should support sustained broadband financing through grant and loan programs that prioritize projects in areas with the lowest population densities.
- As required by Congress, federal agencies must implement more accurate, detailed broadband coverage data and maps to highlight service gaps and best target federal broadband funds.
- Congress should provide oversight of the Federal Communications Commission to ensure winning Rural Digital Opportunity Fund (RDOF) Phase I bidders have the financial, technical and operational ability to meet their obligations.

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. Without access to broadband, these rural families and businesses are fighting an uphill battle in the digital economy. Recent researchⁱ shows that a lack of rural broadband to unserved co-op households leads to \$68 billion in lost economic value over 20 years. Conversely, the economic benefits of broadband to rural America are staggering. Research shows that one dollar invested in rural broadband returns nearly four dollars to one state's economy.ⁱⁱ

The COVID-19 pandemic has put the spotlight on the outright necessity for ubiquitous high-performing broadband for all Americans. The pandemic has prompted new modes for delivery of healthcare, education, and professional services, among many other things. Simply stated, numerous people and businesses in rural America will struggle to emerge into a changed world that depends more each day on telehealth, distance learning, and virtual workplaces.

Progress is Being Made, But More Policy Support Is Required

Electric co-ops are led by and belong to the communities they serve. That's why nearly 200 electric co-ops are deploying broadband solutions and as many as 100 are exploring feasibility of broadband either on their own or through a partnership. This cooperative commitment is vital for nearly 30% of rural Americans that still lack access to broadband, compared to 2% in urban areas.

Recent policy actions have improved otherwise failed federal approaches to making broadband a reality across rural America. To build upon that progress, electric co-ops urge policymakers to take these steps:

- Sustain investment in broadband programs, targeting federal resources at unserved and underserved communities.
- Improve broadband data collection and mapping to clarify existing gaps in coverage.
- Increase minimum definition of broadband speed to 100/100 Mbps to provide future-proof service.
- Demand FCC accountability to ensure Phase I RDOF auction winners meet their obligations to unserved consumers.

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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.