

## Electric Co-ops Part of Expanded Rural Broadband Solution

### Policy Recommendations:

- Bring broadband to all Americans by providing additional financing support through grants and loans of at least \$40 billion over 10 years. Ensure all areas lacking 25/3 Mbps service are eligible for broadband funds.
- Encourage more accurate reporting of broadband coverage data to highlight service gaps. FCC Form 477 data is self-reported by industry and unverified, resulting in over-estimating broadband availability.
- Prioritize grants to projects in areas with the lowest population densities.
- Ensure federally-funded broadband systems meet the growing speed and data needs of the future.

### Broadband Expansion Would Jumpstart 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. [New research](#) shows that a lack of rural broadband to those unserved co-op households leads to \$68 billion in lost economic value over 20 years.

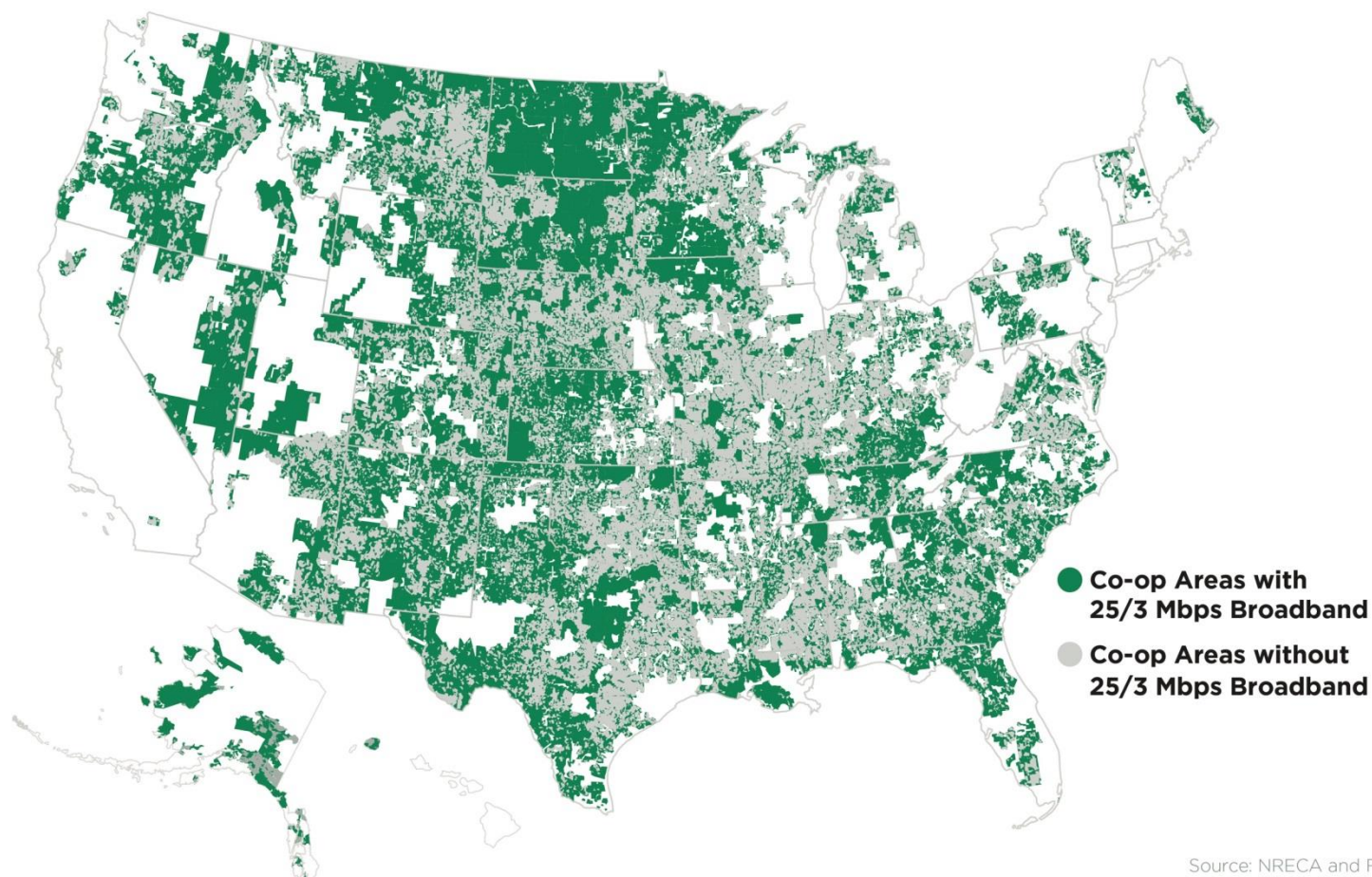
The economic benefits of broadband to rural America are staggering. Every dollar invested in rural broadband returns nearly \$4 to Indiana's economy, according to a [2018 study](#) by Purdue University. The analysis showed that Indiana could reap nearly \$12 billion in net economic benefits over a 20-year period if an investment were made to extend rural broadband statewide.

### Electric Co-ops are Committed to Rural America and are part of the Broadband Solution

Electric cooperatives are committed to rural America. They are owned by, and belong to, the communities that they serve. More than 100 electric co-ops are working toward meaningful and diverse solutions to provide broadband services, which can help bridge the digital divide and jumpstart local economies. This cooperative commitment is vital for some 30% of rural Americans that still lack access to broadband, compared to 2% in urban areas.

According to the [FCC](#), 40 percent of all schools in the nation still lack meaningful broadband access—and more than three-quarters of these are rural or in small-towns. 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 access to 25/3 Mbps broadband



Source: NRECA and FCC

### Progress is being made, but more work is required

Recent federal policy changes 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% of all bids.
- USDA launched the ReConnect rural broadband pilot program, 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.

These improvements set the stage for a brighter and more prosperous rural America. But more work is needed to close the digital divide. Electric cooperatives look forward to working with Washington policymakers to improve broadband data collection to clarify existing gaps in coverage, and to target federal resources at unserved and underserved communities to reach our shared goal of universal broadband access.

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