### **Public Interest Law Reporter**

Volume 13 Issue 2 Spring 2008

Article 9

2008

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#### Recommended Citation

Brian Witkowski, Bridging the Digital Divide: Improving Broadband Access for Rural Americans, 13 Pub. Interest L. Rptr. 170 (2008). Available at: http://lawecommons.luc.edu/pilr/vol13/iss2/9

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## BRIDGING THE DIGITAL DIVIDE: IMPROVING BROADBAND ACCESS FOR RURAL AMERICANS

by Brian Witkowski

Broadband Internet is so important to rural development that supporters in Congress equate it to the development of interstate highways in the 20th Century. The digital divide, however, between rural and urban areas has widened in recent years as broadband has become a staple in the homes of urban and suburban residents while failing to equally reach rural residents. Recognizing the importance of broadband, the federal government has made a commitment toward bridging the broadband gap between rural and urban America.

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The divide in broadband access between rural and urban America is growing.<sup>4</sup> As Figure 1 shows, access to broadband in rural areas has increased in absolute terms since 2000.<sup>5</sup> However, in 2007, there was a 40 percent gap in access between rural and urban communities – far greater than the seven percent gap that existed in 2000.<sup>6</sup>

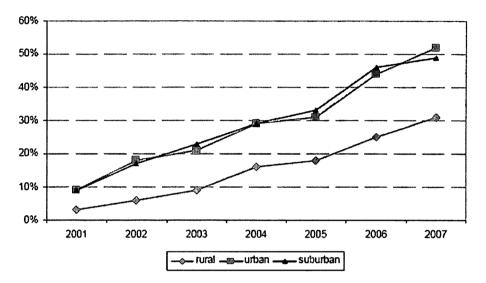


Figure 1 shows that in 2001, there was a small rural-urban divide as a small minority of American households had broadband access. However, in recent years the divide has widened as a majority of urban Americans now have access to broadband while only 31 percent of rural Americans have access.

According to Aaron Smith, a research specialist at the Pew Internet & American Life Project, there are two causes for the divide. First, rural dwellers on average tend to be older, have lower household incomes and have lower levels of formal education. Individuals with these characteristics tend to go online and use broadband at relatively low rates regardless of where they live. Second, even when statistically controlling for these characteristics, "there is something about 'rural-ness'" that leads to lower broadband availability.

The implications of the divide are greater than some may realize. They go beyond the download speed for a teenager's iPod or the quality of streaming Internet video. Broadband is a "transformative technology" that improves health care, education and, perhaps most importantly, economic opportunity.<sup>10</sup>

According to Federal Communications Commission (FCC) Chairman Kevin Martin, "[t]he United States and the Commission have a long history and tradition of making sure that rural areas of the country are connected [with broadband technology] and have the same opportunities for [broadband] communications as urban areas."11

The question, however, is whether that "history and tradition" has been fulfilled?

#### EXECUTIVE HELP

In November 2007, the Federal-State Joint Board on Universal Service (Joint Board) proposed reforming the Universal Service Fund to include broadband in the list of services required to be universal.<sup>12</sup> The Joint Board said that "the nation's communications goals [should] include . . . achieving universal availability of broadband Internet services at affordable and comparable rates for all rural and non-rural areas."<sup>13</sup>

This proposal would go a step beyond current executive efforts, including a government agency specifically created to bridge the divide.<sup>14</sup>

The Rural Development Broadband Loan and Loan Guarantee Program, part of the U.S. Department of Agriculture (USDA), was created in 2000 to provide loans to small, rural communities for broadband development.<sup>15</sup> Its successor, the Rural Development Broadband Program (RDBP), was established in 2002 to "facilitate the delivery of broadband services to rural America" by similarly providing loans for broadband development.<sup>16</sup>

However, these programs have not been very effective. The RDBP has been criticized for devoting resources to helping urban, rather than rural, communities improve broadband access.<sup>17</sup> In a 2005 audit of the program, the USDA Inspector General found that it "ha[d] not maintained its focus on rural communities without preexisting service [a]lthough the language of the law specifies that these Federal loans and grants are for rural communities."<sup>18</sup>

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#### CONGRESSIONAL HELP

In the past year, Congress also made bipartisan efforts at bridging the gap. Senators Pat Roberts [R-KS] and Ken Salazar [D-CO] introduced the Rural Broadband Improvement Act of 2007, which amends the Rural Electrification Act of 1936<sup>19</sup> to ensure that only truly underserved rural areas receive federal funds for broadband development.<sup>20</sup> Rep. Stephanie Sadlin [D-SD] introduced a bill with similar objectives.<sup>21</sup>

One of the reasons past efforts at closing the divide have been unsuccessful is the lack of availability of reliable data indicating exactly which communities have the greatest need for broadband help.<sup>22</sup> Congress is considering multiple bills that would enhance the mapping of broadband availability, which will in turn give government agencies and broadband companies more reliable data on where service is needed the most.<sup>23</sup>

Rep. Ed Markey [D-MA] drafted the Broadband Census of America Act of 2007, which passed the House November 13, 2007.<sup>24</sup>

The bill "make[s] grants to [states] to assist in providing the . . . information to facilitate the broadband inventory map required under section 3."<sup>25</sup> It aims to provide "a better and more accurate picture of broadband service in America [to] help policymakers identify solutions and fine tune remedies for overcoming obstacles in achieving our national goals," said Rep. Markey.<sup>26</sup>

Senator Daniel Inouye's [D-HI] Broadband Data Improvement Act mandates the collection of the quality and availability of broadband.<sup>27</sup> The bill would also create a State Broadband Data and Development Grand Program in an attempt to "ensure that all citizens and businesses in a State have access to affordable and reliable broadband service."<sup>28</sup>

And Senator Hillary Clinton [D-NY] introduced the Rural Broadband Initiative Act of 2007, which would establish the Office of Rural Broadband Initiatives within the Department of Agriculture.<sup>29</sup> The Office would be responsible for developing a comprehensive broadband strategy, assessing which areas need help and coordinating federal, state, local and non-government efforts at improving broadband access.<sup>30</sup>

The Act "recognizes the special economic needs of rural communities and ensures that the government plays a helpful role in furthering economic development by increasing broadband connectivity in rural areas," said Sen. Clinton.<sup>31</sup>

#### OTHER POSSIBILITIES

In addition to the variety of government programs and proposed legislation, there are several technological developments that would give rural areas better access to broadband.

The major problem facing traditional broadband providers, who provide service through underground cables, is the high cost of extending expensive infrastructure to relatively few homes in rural areas.<sup>32</sup> Broadband over Power Line (BPL) is, as its name implies, a development that would attach Internet transmission lines to power lines in lieu of underground service.<sup>33</sup> Because BPL would use already-existing infrastructure, it may face substantially lower costs in bringing broadband to rural communities, according to the FCC.<sup>34</sup>

Another possibility is the use of satellite Internet.<sup>35</sup> Satellite Internet providers such as WildBlue and Hughes Communications have stepped in to provide service to rural areas.<sup>36</sup> Satellite providers do not face the same economic hurdles as traditional providers because they face the same costs regardless of whether a consumer lives in a rural or urban area.<sup>37</sup> These companies believe that although they face some problems, such as slower speeds than land-line Internet, they are the best short-term solution the problem.<sup>38</sup>

They also believe that they can help reduce America's lag in per-capita Internet usage as compared with other countries.<sup>39</sup> In 2006, America ranked fifteenth in Internet subscribers per 100 inhabitants.<sup>40</sup>

"America is on the verge of vast new broadband-driven digital transformation that promises to make life more livable, businesses more productive, jobs more plentiful, and the Internet more accessible," laims the Benton Foundation, which advocates for increased broadband access. "However, at the dawn of this digital age, those who could benefit the most from this economically empowering technology are also those most likely to be left without access because of where they live or how much money they make."

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#### Notes

- 1 153 CONG. REC. 6,952 (2007) (statement of Sen. Roberts).
- 2 See generally John B. Horrigan & Aaron Smith, Data Memo Re: Home Broadband Adoption 2007 (Pew Internet & American Life Project 2007), available at http://www.pewInternet.org/pdfs/PIP\_Broadband%202007.pdf (providing research and data showing the divide).
- 3 See infra notes 12-30.
- 4 Horrigan & Smith, supra note 2, at 7.
- 5 *Id*
- 6 Id.
- 7 E-mail Interview with Aaron Smith, Research Specialist, Pew Internet & American Life Project (Mar. 11, 2008).
- 8 *Id*.
- 9 Id.
- 10 Thomas Dorr, Under Secretary for Rural Development, U.S. Department of Agriculture, in Office of Rural Development, U.S. Department of Agriculture, USDA Rural Development: Bringing Rural Broadband to America 2 (2007), available at http://www.rurdev.usda.gov/rd/pubs/RDBroadbandRpt.pdf.
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- 12 Federal-State Joint Board on Universal Service, Recommended Decision, Nov. 20, 2007, at 2, *available at* http://hraunfoss.fcc.gov/edocs\_public/attachmatch/FCC-07J-4A1.pdf.
- 13 *Id*.
- 14 See infra notes 15-18 and accompanying text.
- 15 Office of Rural Development, U.S. Department of Agriculture, USDA Rural Development: Bringing Rural Broadband to America 3 (2007), *available at* http://www.rurdev.usda.gov/rd/pubs/RDBroadbandRpt.pdf.
- 16 Id. at 4.
- 17 See generally Dan Morgan & Gilbert Gaul, Lawmakers May Refocus Rural Internet Financing, WASH. POST, May 1, 2005, at A05.
- 18 ROBERT W. YOUNG, ASSISTANT INSPECTOR GENERAL FOR AUDIT, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF AGRICULTURE, AUDIT REPORT: RURAL UTILITIES SERVICE BROADBAND GRANT AND LOAN PROGRAMS (2005), available at http://www.usda.gov/oig/webdocs/09601-04-TE.pdf.
- 19 7 U.S.C. 950 (2006).
- 20 S. 1439, 110th Cong. § 3 (2007).
- 21 H.R. 2035, 110th Cong. § 2(2) (2007).
- 22 Sharon Strover, Universal Service and Rural America 9 (2006) (unpublished article, *available at* http://www.benton.org/index.php?q=node/6061).
- 23 See infra notes 24-28 and accompanying text.
- 24 H.R. 3919, 110th Cong. (2007).
- 25 H.R. 3919 § 4(a),
- 26 FCC Oversight Hearing Before the H. Telecomm. & Internet Subcomm., 110th Cong. (2007), available at http://markey.house.gov/index.php?option=content&task=view&id=2701&Itemid=125.
- 27 S. 1492, 110th Cong. §§ 3-4 (2007).

- 28 S. 1492 §§ 6(a)(1), (b)(1).
- 29 S. 1032, 110th Cong. § 2(602(a)(1) (2007).
- 30 S. 1032 § 2(602)(b)(2).
- 31 Press Release, Senator Hillary Clinton, Clinton Introduces Comprehensive Rural Broadband Legislation (Oct. 5, 2006), *available at* http://clinton.senate.gov/news/statements/details.cfm?id=264465&&.
- 32 Tim Catts, Rural Broadband Providers Look Skyward, Bus. Wk. Online, Aug. 14, 2007, http://www.businessweek.com/technology/content/aug2007/tc20070813\_731298.htm.
- 33 Broadband Opportunities for Rural America, Joint Initiative of FCC and USDA, Broadband Opportunities: Cable Broadband Services, http://wireless.fcc.gov/outreach/index.htm?job=bpl (last updated Jan. 31, 2008).
- 34 See id.
- 35 See generally Catts, supra note 32.
- 36 Id
- 37 Id.
- 38 *Id*.
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- 40 John P. Horrigan, U.S. Lags Behind: Why it Will Be Hard to Close the Broadband Divide 1 (Pew Internet & American Life Project 2007), available at http://www.pewInternet.org/pdfs/Broadband\_Commentary.pdf.
- 41 Benton Foundation, Broadband Benefits: Universal Affordable Broadband for All Americans, http://www.benton.org/broadband\_benefits (last visited Mar. 27, 2008)
- 42 Id.