



## **Panel Summary - National Rural Summit, October 27, 2007, Ames, IA**

### **Bridging the digital divide – Is technology the key to rural America's future?**

*Summary notes by Natascha Shawver*

#### **Panel:**

Facilitator: Tyson Acker, IATP

Steve Abbott – Speed Matters

Rep. Rosa DeLauro – U.S. House of Representatives (CT); House Committee on Appropriations. Chair of Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Russ Kremer – MO Farmers Union

Ellen Huntoon – Senator Harkin's Office Staffer

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#### **Russ Kremer (MO Farmers Union)**

Kremer stated that the question of whether rural broadband is needed is a no-brainer. He said that he had been moved by a speaker's comment who said that according to a study 75% of rural adults are encouraging their children to leave. Kremer said that it is almost perceived as "child abuse" to encourage your own child to come back.

Can rural broadband provide a solution to the issues rural America faces?

Three observations at the beginning:

- The educational and informational divide is not only present, it's getting worse. Providers are cherry picking what areas they want to serve and make that decision on an economical basis.
  - Rural broadband is an exciting opportunity, because most young people in rural areas actually want to stay if given good opportunities.
  - We have challenges, mostly of the economic kind: Companies and providers pick areas they want to serve regardless of demand and need
1. We need affordable access for ALL to ensure future rural vitality. The educational and informational divide is getting worse, slow dial-up technology is most prevalent and the economic and competitive disadvantages increase without modern telecommunications

2. Broadband – A key to rural renewal through:
  - Distance Learning Opportunities
  - Telecommuting
  - Telemedicine
  - Virtual Private Networks
  - Home Based Businesses
3. Broadband also offers new tools for farmers: weather, market and crop reports, direct marketing channels, tools to access input and equipment supplies, order fulfillment and freight forwarding, USDA transactions, on-line banking, alternative business opportunities, and agri-tourism to name a few.
4. E-Commerce – Building Relationships from Afar: Through Broadband, farmers have now the opportunity to market their products directly and build relationships with their customers—who value getting their products from someone they know. Broadband and e-commerce make for a smaller world. As one successful example, Kremer mentioned the NFU E-Commerce project. Kremer added that broadband and e-commerce grow more rural businesses, help build relationships and sustain communities.
5. Broadband is a solution to the brain drain: More young people stay or return if they are given economic opportunities and a good quality of life.

### **Rosa L. DeLauro – U.S. House of Representatives (CT)**

Rep. DeLauro opened with the statement that sound politics mean investing in rural America. However, it seems to be the case that rural areas always get hit hardest in times of budget cuts, when farm service agencies get scaled back and funding gets cut for rural housing projects, telemedicine, and business and loan programs. She mentioned a bi-partisan effort to reverse some of those negative effects in the appropriations committee and notes that especially IT related programs were supported.

She went on to ask how we can bridge the digital divide and came to the conclusion that this challenge needs to be taken care of on a national level through a concerted national effort since the problem requires vision and leadership.

She cited President Bush, who, in 2004, said that the United States would have broadband technology in every corner of the country by 2007. Not only has this not been accomplished, the United States has continuously fallen on the international scale when it comes to broadband adoption. In 2005, the U.S. ranked 11th in the world in broadband penetration and since then has continuously lost ground and ranks now 15th.

The Farm Bill of 2002 was a good start to reverse some of these trends. This good work has been continued with the FY 2008 Agriculture Appropriations Bill: Of the planned \$59 million dollars to be distributed, \$35 million will go to distance learning and telemedicine grants, \$6.45 million to broadband loan subsidies and \$17.8 to broadband grants.

DeLauro said that the Farm Bill recognizes that we need a greater focus on rural areas when it comes to broadband. This means that the loans for areas that already have access should be reversed and that we should try to move the discussion to a comprehensive national broadband strategy, which we do not have at the moment. Nor do we have a national infrastructure strategy.

DeLauro then talked about the FCC. She has requested that the FCC make more spectrums available and that there be tax incentives and subsidies for corporations to foster public-private partnerships through a well funded RUS, reverse auctions, and one-time subsidies.

She, once again, emphasized that expanding this type of national program would also create a great amount of new jobs and is similar to the efforts of Franklin D. Roosevelt during the New Deal in the early last century when he created the Rural Electrification Administration against the resistance of the power companies to connect rural America to the power grid and ensure that the country did not fall behind economically.

### **Steve Abbott, Speed Matters**

Abbott began with the observation that we already have moved to the second generation of broadband Internet that can "reliably transmit full-motion, high-definition video." While this is the case, huge areas in rural America are underserved because the definition of broadband coverage is very narrow: As little as one person with broadband is enough to get an area defined as fully covered with broadband.

What is also needed is a re-definition of speed by the FCC. Currently "high speed" is defined as 200 kilobits per second (kbps) downstream. This should be changed to 2 megabits per second immediately to ensure that rural areas have their needs met. Abbott gave the example of jumping survival rates due to the fast transmission of medical records from hospital to hospital in rural areas. He also emphasized the importance of keeping families and neighbors connected and warned that the United States is falling behind the rest of the world technologically

### **Ellen Huntoon, Staff of Senator Tom Harkin (IA)**

Huntoon reiterated the need for a comprehensive broadband strategy that needs to come from the top. She also mentioned that we need the technology to create jobs and that the USDA did a bad job in distributing funds available for rural development and applications were very hard to file. The new Farm Bill tries to fix these shortcomings: funds are put back, what rural is has been redefined (so funds are not used in, for example, rich suburbs), and low-interest rates for hospitals have been added.

### **Q and A:**

**Q:** While we are dealing with the federal level: Do you see a role for the states in this? (Example: Connect Kentucky)

**A: Rep. DeLauro:** Absolutely. Connect Kentucky should be a role model, even though state and municipal efforts are often thwarted by company interests. Unfortunately there is also no capability, but the companies have that. We need RUS defined precisely and we need facts for an assessment.

**Kremer:** A private-public cooperation is needed in terms of loans. We should also build subscriber-based cooperatives for that purpose. The FCC should be required to report on broadband coverage but hasn't since 2004. seen as unlawful.