



## USF Benefits Economic Development by Promoting and Maintaining Robust Rural Broadband Networks

To remain viable and successfully compete for the businesses that drive economic development, **rural communities must have access to robust and affordable broadband**. It is important that the Commission not implement a system that will doom rural communities, and the individual consumers and businesses within them, to second-class broadband service. Rather, the Commission should ensure that all communities, urban and rural, have access to high-capacity broadband networks that will **enable future business applications and services**.

### **Economic Development is Essential for the Survival of Rural America**

Rural America is shrinking. According to the 1900 census, 60% of all Americans lived in rural areas. By 1950, that number had fallen to 36%, and by 2000 it was 21%. **The viability of rural America will hinge primarily on job retention and creation**. In today's world, few variables play a greater role in economic growth than the availability of dependable, high-speed Internet access. According to the Public Policy Institute of California, between 1999 and 2006 an area moving from no broadband providers to 1 to 3 providers would experience **job growth of 6.4%, and an increase in the working-age population of 2.4%**.

### **Broadband is Essential to Economic Development**

Clearly, the ability of rural providers to offer broadband service comparable to that available in non-rural areas will be critical to generating new opportunities and stemming the current population flow from rural to non-rural areas. Without access to robust broadband service, business owners will have little incentive to move to rural America. In a recent survey of more than 300 economic development professionals sponsored by the International Economic Development Council, **76% of respondents indicated that they believe broadband availability has had, or will have, an impact on attracting business to a community**.

The availability of broadband in rural America is also critically important for retaining existing businesses in rural areas. In the agriculture sector, numerous businesses—such as farms and ranches—rely on broadband to enable their day-to-day operations. Other rural businesses, **such as financial institutions, law and accounting firms, tourism-related industries, retail establishments, and energy companies** all need affordable, high-quality broadband service to survive. Without it, the prospect of doing business in rural America becomes significantly less attractive, if not impossible.

### **Universal Service Support is Essential for Broadband**

Rural providers-of-last-resort cannot afford to provide high-quality broadband service throughout their high-cost rural areas without **universal service support**. This is not merely a question of construction or capital expense, but also one of ensuring that adequate support is available to **sustain multi-use networks** in areas where great distances and few customers would otherwise hinder the business case for providing broadband. The FCC should ensure that rural carriers are able to provide their customers with broadband service comparable to that available to Americans living in any other region of the country. No less than the very economic future of rural America is at stake.