The FCC and broadband: Will rural areas be left behind?
By Byron Dorgan | Tuesday, Aug. 16, 2011

When the telephone was introduced in America many decades ago, there were real questions
about whether small towns and family farms would ever be able to get telephone service. The
companies selling telephone service in the big cities said it was too expensive to string
telephone wires to small towns and farms. They said they couldn't make a profit serving
sparsely populated areas in rural America.

But the government stepped in and said that telephone service was an "essential service" and
it should be made available at an affordable price to all Americans. The federal government
called it a commitment to a principle called "Universal Service" and they established a fund to
make telephone service affordable in rural areas. It meant that no matter where you live, even
in the most rural reaches of our country, you should have access to the same
telecommunication services available to the people in the bigger cities. Over the many
decades it has been a great success.

Small telephone companies and cooperatives built out the telephone lines and equipment to
serve rural, high cost areas. Many decades later, we almost take it for granted that small
towns and farms will have up to date telecommunications services.

Breathtaking changes
But now there are some new challenges. The technology in telecommunications has
undergone breathtaking changes. Telephones, both landline and mobile, connect us to the
world of the Internet and offer voice, data and video services. And once again the questions is:
Will rural areas receive and be able to afford the latest technologies including robust
broadband service that other Americans have?

A recent Minnesota report shows that rural areas lagged behind more populated areas in
computer, Internet and broadband adoption, and in activities such as shopping and banking,
communicating with schools or contacting a physician.

Minnesota’s state Task Force on Ultra High Speed broadband tells us that broadband
adoption in the state’s high population centers, including the Twin Cities, is nearly 50 percent
higher than in rural regions of Minnesota. The same trend is evident in other rural areas of
our country.

The fact is people in rural areas still struggle to get the latest, high-speed broadband service.
It is only when one of the smaller telephone companies in a rural area builds out the new
services that their customers benefit. And that is made possible because of the Universal
Service Fund and other revenue streams that underwrite those costs in rural areas.
FCC considering changes
This year the Federal Communications Commission (FCC) has begun a rule making on something they call the Connect America Fund. They want to push the development of broadband across our country. I think that is a good idea. But the FCC is also considering changes to the "Universal Service Fund" that concern me. I believe it could undermine telephone service including broadband service in rural areas.

The FCC is talking about "reforming" or eliminating the funds that help communications providers (both wire-line and wireless) finance the commitments they have made to connect our remote and rural areas.

Small rural telephone companies rely on those funds to finance the networks they have built and to build out new broadband service to rural areas. Eliminating that support would be devastating to some rural areas.

Getting this right is essential
The benefits broadband brings to America's rural areas are so important. Rural residents can connect to doctors and specialty physicians, purchase goods from retailers around the world, access education through courses offered in far-away schools and much more. In short, broadband service is essential for rural areas.

If the FCC gets this wrong, it could have a devastating effect on the ability of smaller and rural telephone companies to continue to provide the most advanced telecommunication services to their customers. And, without access to the latest and best telecommunications services, rural areas will be on the wrong side of the digital divide and consigned to a future without economic opportunity or development. We can't let that happen!

The bottom line is this: Broadband in rural areas is central to our nation's critical infrastructure. The FCC needs to understand that.

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