

# Getting Rural Infrastructure

It isn't really the Digital Divide

It's the money divide!!!

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Rural areas have fewer people

There are fewer jobs

There are far fewer good paying jobs

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In addition to having a smaller base of potential subscribers, rural infrastructure costs more

In telephone terminology – the loops are longer

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However – the needs are just as great

Think of rural needs:

- In education
- In healthcare
- In government services
- In job training and career counseling

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Because of the distances in rural living, high speed access is necessary

The need for broadband access in rural businesses is critical

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But for service providers – it must be all about the money

There's profits, shareholders, banks, wall street expectations – the list goes on....

For the service providers – there needs to be a profit

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It isn't the digital divide – it's the money divide

Urban centers have density and profit potential

Rural centers have hopes and dreams but little competition and depending on the location, little access to broadband

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How then is it done

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Historically – for early telephone and electric – it was done through a vast subsidy mechanism

Money was funneled from the profitable serving areas (read cities) and sent to wire up the countryside

We don't have such a mechanism for broadband

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Other countries that have made significant progress have done so through government subsidy mechanisms

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The countries that have done really well are much more dense in population and cover much smaller geography than the US

It makes a difference – remember, it's all about the money!!!

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So what works here for rural areas??

It's a combination of things:

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Here's the things you can do:

- Work on increasing the penetration rate

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- Work on increasing the penetration rate
- Work on decreasing the deployment costs

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Here's the things you can do:

- Work on increasing the penetration rate
- Work on decreasing the deployment costs
- Work on aggregating demand so you get the biggest bang for the buck on deployment costs

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Also – understand what you need as opposed to what you think you want

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Technological changes are starting to reduce some of the deployment costs

This is especially true with wireless broadband networks

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There has been a lot of interest in community networks or municipal networks

Especially right here in Philadelphia!!!

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There's a lot of pros and cons depending on who's doing the talking

Several states have restrictions and Congress is getting ready to create legislation

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It's still uncertain how this will all turn out

But there are still things you can do now

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We at ARC have been advocating the creation of public/private partnerships to find creative ways of trying to address the rural broadband deployment issues

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If you get creative – and focus on what you really need – you can find ways to bring broadband access to your rural communities