

Broadband Legislation Would Provide Economic Stimulus of \$134 Billion Annually



Study Background Contact: Mark McElroy, PhD
mmcelroy@connectednation.org

FOR IMMEDIATE RELEASE:
February 21, 2008

Media Contact: Kasey McCrary
kmmccrary@connectednation.org
1-877-846-7710

Report outlines economic impact of broadband bills providing a second opportunity for Congress to stimulate the nation's economy

Washington, D.C.: A report released by national non-profit Connected Nation measures the national economic stimulus of broadband legislation currently under Congressional consideration. The report details the potential state-by-state impact of legislation to accelerate broadband access and use. Its findings suggest that the U.S. could realize an impact of \$134 billion annually from a modest increase in broadband adoption.

“Just as the Congress needed to pass the recent economic stimulus package to accelerate the economies of every state, so too does the nation deserve passage of pending legislation that could accelerate access to and use of broadband. The beauty of the broadband legislation currently in play in the midst of Farm Bill negotiations is that it would provide a jolt to the nation's economy in the near term – to the tune that rivals the recent economic stimulus package” said Brian Mefford, Connected Nation's CEO.

The Connected Nation report measures the impact of its first state-based program, ConnectKentucky. Kentucky has experienced a rate of growth in broadband adoption (i.e. the number of households subscribing to high-speed broadband service) that is measurably higher than the nation. Kentucky experienced an 83% rate of growth in broadband adoption while the national trend was 57%. By surveying consumer savings in time, miles driven and healthcare and by calculating the impact on job creation/retention, the report projects the estimated annual economic benefit for Kentucky. From this data, Connected Nation extrapolated the economic impact of modest growth in broadband adoption for each state and the country as a whole.

If Congress passes legislation that enables every state to implement programs modeled after ConnectKentucky and experience an increase in broadband adoption, the direct economic stimulus would be more than \$134 billion per year for the nation, according to the report.

According to Larry Cohen, president of the Communications Workers of America, "The Communications Workers of America has long been pressing for public policies that will allow all Americans to share in today's telecommunications revolution and for our nation to fully utilize the economic engine of the 21st century. Economic growth, quality jobs

and the tremendous opportunity for improvement in the personal lives of all Americans depends on substantial improvements in speed, quality and most critically, the build out of true high-speed Internet networks. At the current rates of broadband speed in the United States, the promise of telemedicine, distance learning and civic participation simply isn't possible. And both developed and developing regions – Europe, Korea and parts of southeast Asia, eastern Europe and more – have moved far ahead of us. This economic impact study spotlights not only the positive benefits that will result from the build out of true high-speed broadband networks, but reinforces the critical need for a national broadband policy and the broadband mapping bills that Congress now is considering.”

In 2007, the U.S. House of Representatives voted unanimously to pass such legislation, and the U.S. Senate passed a similar proposal as part of a renewal of the Farm Bill. The Senate and the House are working to complete negotiations on the Farm Bill, including rural development and broadband elements, this month. However, in the result of a broadband stalemate during Farm Bill discussions, the country's unserved areas would likely see little help in the near term.

"Connected Nation provides convincing evidence that the benefits of broadband adoption spill over to society as a whole," said Dr. Robert D. Atkinson, president of the Information Technology & Innovation Foundation. "Moreover, the report rightly concludes that public policies to spur broadband are critical to ensure the best possible broadband future for the United States."

Connected Nation has garnered international, industry-wide recognition as a best-practice model for broadband expansion. The model, which includes extensive broadband mapping, a public-private partnership and grassroots eCommunity leadership teams, has been identified by numerous states as the preferred model for accelerating broadband.

According to Lawrence Spiwak, President of the Phoenix Center for Advanced Legal and Economic Public Policy Studies, "The Connected Nation approach to broadband is perhaps the most important public policy innovation for communications services in many decades. In an environment characterized by constant rhetorical divisiveness, Connected Nation pulls people together to share in their relentless focus on expanding broadband availability and subscription. As this new study shows, there is much to gain from expanding broadband availability and use in this country, and Connected Nation has proven itself up to the task."

To download a copy of the report and additional information regarding the study, visit www.connectednation.org.

#

About Connected Nation: *Connected Nation is widely recognized as the nation's model for improving digital inclusion. Connected Nation expands access to and use of broadband Internet and the related technologies that are enabled when communities and families have the opportunity and desire to connect. For the United States, this means better education, more jobs, improved healthcare, more efficient government and a better quality of life.*

For more information about Connected Nation, visit www.connectednation.org.