



## **IIA: Broadband's Effect on Rural America**

*Broadband Internet is no longer a luxury for rural Americans, it's a necessity*

After reviewing the business plans for the proposed combination of AT&T and T-Mobile, submissions made to the Federal Communications Commission, analyses by experts in technology and finance, and assessments by community leaders, the Internet Innovation Alliance believes this deal is a winner for rural America. We see the following benefits likely to result:

### ***Rural America and the Combined Resources of AT&T and T-Mobile***

- The Internet is now the primary mode of accessing information, education, financial and health services. Broadband shrinks distances that isolate remote communities.
- In rural America, nearly one-third of all households do not have access to broadband technology, so rural communities would be one of the primary beneficiaries of extended broadband coverage.
- Increased broadband access to rural areas will allow America's farmers to keep up with market conditions, suppliers, customers and food processors.
- Combined network resources and spectrum efficiencies mean that customers of both companies would experience improved and expanded voice coverage and faster data speeds – wherever they live.

### ***The Benefits of Broadband for Rural Americans***

- Rural communities with greater broadband Internet access experience stronger economic growth. For every percentage point increase in broadband penetration, employment jumps by 0.2 to 0.3 percent.<sup>1</sup>
- The Internet helps farms and food processors to reduce their costs and increase their competitiveness, according to the Washington State Department of Information Services.<sup>2</sup>
- Broadband access helps to put Americans in touch with online medical resources that can save an estimated \$670 per household per year in healthcare costs.<sup>3</sup>

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<sup>1</sup> Robert W. Crandall, Robert E. Litan, and William Lehr, "The Effects Of Broadband Deployment On Output And Employment: A Cross-Sectional Analysis Of U.S. Data," The Brookings Institution, 7/07

<sup>2</sup> Washington State Department Of Information Services, [broadband.wa.gov](http://broadband.wa.gov), Accessed 4/11/11

<sup>3</sup> The Benton Foundation, [benton.org](http://benton.org), Accessed 5/17/11

**About IIA**

The Internet Innovation Alliance is a broad-based coalition supporting broadband availability and access for all Americans including underserved and rural communities. It aims to ensure every American, regardless of race, income or geography, has access to this critical tool. The IIA seeks to promote public policies that leverage the power of entrepreneurs and the market to achieve universal broadband availability and adoption. For more information about the IIA and its members, please visit [www.internetinnovation.org](http://www.internetinnovation.org).