

## **Wiring Rural America**

September 13, 2007

### **A Public-Private Partnership Success**

From her remote farm in southern Kentucky, Lajuana Wilcher checks an online database for local ranchers demanding alfalfa. She can specify at what price she is willing to sell, which counties to search and whether her hay is square-baled or rolled. Without her high-speed internet connection, Ms Wilcher insists, it would take far too long to find the most generous alfalfa prices, order spare tractor parts and locate the best breeding stock for her small cattle operation.

Largely rural, Kentucky is best known for its bourbon and horse racing; it rarely ranks in the top tier of states on any measure of 21st-century success. According to Brian Mefford, president of ConnectKentucky, a public-private partnership, a few years ago the state had among the lowest rates of broadband availability in the country. Internet service providers could not be sure that there were enough Lajuana Wilchers in the Kentucky countryside to justify new investment in cabling or wireless transmitters.

But by the end of this year, Mr Mefford boasts, 98% of residents will have access to inexpensive broadband services. This is primarily because of ConnectKentucky's effort to map broadband demand in communities that didn't have access, he says, which indicated that enough people in Kentucky farm country would sign up if providers entered the market. At the same time, the organisation also talked up high-speed internet services to sceptical residents, creating demand where it was slack. Once isolated Kentuckians can now consult with doctors in faraway cities or telecommute.

ConnectKentucky is just one effort among many programmes in different states and within the federal government to wire up the American countryside. Backers compare them to Franklin Roosevelt's New Deal push to bring electricity to the hinterland. Supporters also hope expanded rural broadband access will stop the steady loss of population to cities and suburbs. But not all have been as successful as Kentucky's.

In 2004 President George Bush set a goal to provide every American with access to broadband by this year. The federal Agriculture Department has distributed over a billion dollars in grants and cut-rate loans to high-speed internet providers interested in rural markets. But by Mr Bush's yardstick, the effort has been a failure. Swathes of the country still lack broadband access, though it is hard to tell how far they extend. Admittedly, wiring up the West, with its greater distances and thinner population densities, is tougher than wiring up Kentucky.

Part of the problem has been the poor design of federal loan and grant schemes by Congress. A loose definition of “rural area”, for example, let an internet provider get federal funding to wire up a Houston suburb where million-dollar homes were under construction. Lawmakers in Washington, DC hope to reform the process. But there are other serious deficiencies in the federal system. Ensconcing large broadband loan and grant programmes in the Agriculture Department threatens to drain federal money for decades into parts of the country that already get other hefty—and often similarly mismanaged—federal farm and development subsidies. The comparison to Roosevelt's rural electrification efforts is apt: 70 years on, the Agriculture Department is still financing rural power companies long after electricity came to the American countryside.

Meanwhile, ConnectKentucky might beat Mr Bush to fulfilling his own goal. The group is morphing into a company called Connected Nation, and is helping to wire up the neighbouring states of West Virginia and Tennessee.