

Study: More U.S. Broadband Has \$134 Billion Economic Impact

By Grant Gross

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A modest increase in U.S. broadband adoption would have an annual economic impact of \$134 billion, according to a study released Thursday.

A 7 percent increase in broadband adoption would create 2.4 million jobs across the U.S., would save \$662 million in health-care costs and \$6.4 billion in vehicle mileage, among other savings, according to the study, released by Connected Nation, a nonprofit group focused on improving broadband adoption across the U.S.

A broadband stimulus package would pump nearly as much money into the U.S. economy as an economic stimulus package recently passed by the U.S. Congress, said Brian Mefford, Connected Nation's CEO. A proposal being considered as part of a farm bill before Congress would allow immediate depreciation for investment in broadband infrastructure and "provide a jolt to the nation's economy in the near term," Mefford said.

Some lawmakers and conservative think tanks have opposed calls to create a wide-ranging national broadband policy, Mefford said. However, the Connected Nation model, patterned after a program in Kentucky, focuses more on broadband adoption and local needs than huge, government-funded programs, he said. "It's a consensus-type approach," Mefford said.

The ConnectKentucky model that spawned Connected Nation is "bringing in jobs," said Mark McElroy, Connected Nation's chief operating officer and senior vice president for communications. Through ConnectKentucky, the state has adopted broadband 7 percent faster than it would have without the program, according to the organization.

The Connected Nation study estimates the U.S. would gain \$92 billion in new wages from the 2.4 million jobs created through broadband growth. Using broadband for health-care services has saved an average of more than \$200 per person per year in Kentucky, and residents there drove more than 100 fewer hours per month because of transactions done online, according to the study.

In addition to the health-care and mileage savings, U.S. residents would save 3.8 billion hours a year by conducting transactions online, at a cost-savings of \$35.2 billion, according to the study.

Kentucky was one of the lowest states in the nation for broadband adoption when ConnectKentucky began in 2002, Mefford said. In January 2004, only 60 percent of Kentucky residents had access to broadband; at the end of 2007, 95 percent did, according to the study.

Several Kentucky businesses have benefited from the increased access, according to Connected Nation. Geek Squad, the Best Buy subsidiary, moved its headquarters to Bullitt County, Kentucky, in late 2006 because of the broadband availability, according to Connected Nation.

The U.S. government should focus on public-private partnerships to extend broadband to the remaining areas that do not have it, many of them being low-population rural areas, Mefford said. "These remaining areas are extremely difficult to reach."

Three bills now in Congress, the Connect the Nation Act, the Broadband Data Improvement Act and the Broadband Census of America Act, would replicate parts of the ConnectKentucky model on a national scale.

Not everyone is a fan of ConnectKentucky, however. Public Knowledge, a digital rights group, has raised concerns that ConnectKentucky is "nothing more than a sales force and front group" for telecom provider AT&T, said the group's communications director, Art Brodsky, in a January [blog post](#). Officials that set up ConnectKentucky "ignored municipal utilities, competitive telephone companies and Internet service providers," Brodsky wrote.

Connected Nation has denied that it's a front for AT&T, saying the company has provided less than 1 percent of the organization's revenues.

Connected Nation's focus is on increasing broadband adoption, not on who provides the broadband, Mefford said Thursday. "This is not a Field of Dreams kind proposition," he said. "You don't just string wires or create wireless footprints and think that economies are going to magically turn themselves around. The impact does not occur until we have people using the technology."