
NEWS RELEASE
FOR IMMEDIATE RELEASE

Broadband reform is coming, but for many Northwest Minnesotans, it cannot come soon enough. Just ask Jeff Menten, a home-based business owner from the Park Rapids area. Menten needs broadband for his business and has concerns about the future of his business without it.

“Since our business is home-based, we desperately need broadband,” Menten said. “The cost of satellite internet is much too high, yet we can hardly manage business with dial-up service. We are concerned that we may have to downgrade to dial-up and that would be disastrous for our business.”

IMPACT 20/20, a collaborative effort of several Northwest Minnesota leaders, has decided to tackle the rural broadband issue head-on, and for good reason.

While many in Northwest Minnesota consider themselves to have adequate broadband access, there are pockets within the region where there is either no access or speeds that are simply inadequate. In fact, U.S. Census Tract data reveals that there are over 3,600 households within the region that are without any available broadband connection.

Earlier this spring, the Federal Communications Commission (FCC) issued a “Notice of Proposed Rulemaking” (NPR). The NPR addressed many complex issues, including reform of the Universal Service Fund (USF). IMPACT 20/20 posted a reply comment to the NPR in May, urging the FCC to reform the USF and make it a critical component of our national broadband strategy. The NPR has moved through both the comment and reply comment periods and is expected to be on the August docket of the FCC.

Although the private sector has been successful in bringing affordable high-speed internet access service to most Americans, bringing broadband to unserved or underserved areas and promoting adoption of services by underserved segments of the population (e.g. low-income consumers) will require sufficient financial support from the federal government. IMPACT 20/20 believes that the USF will be a critical component in providing universal and equitable access to broadband services.

It should be noted that the USF is not funded by tax dollars. It is funded each time a phone bill is paid. A quick look at any phone bill will reveal a line item labeled “Federal USF Charge.” These funds are paid to the federal government and placed in a pool. In the past, these pooled

funds were restricted to supporting the installation of telephone service. The recommended reform would remove the restriction and allow the funds to also support the installation of high-speed broadband services.

IMPACT 20/20 has set a goal that all residents of the region will have access to broadband speeds of at least 10 Mb download and 5 Mb upload. Currently, the average download speed in Northwest Minnesota is only 2.4 and the average upload speed is only 0.8. (Source: Minnesota Ultra High-speed Broadband Report.) A quick comparison of urban vs. rural speeds highlights great disparity. While broadband has the potential of leveling the playing field between rural and urban areas, a lack of investment into infrastructure in rural areas will further deepen the digital divide. Large pockets of our country – including Northwest Minnesota – will be left behind. USF reform is an important step in correcting the inequity.

IMPACT 20/20 is a dedicated group of Northwest Minnesota leaders representing diverse interests and working together for the region's economic success. These leaders are passionate about Northwest Minnesota and its future as a place where people choose to live and do business. They believe that high-speed broadband is one of the most important components of our rural economy, now and into the future.

For more about IMPACT 20/20, visit www.impact2020.org.