

# The Center for Rural Pennsylvania

## *Public Hearing on Broadband Availability, Accessibility and Affordability in Rural Pennsylvania*

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Penn Wells Hotel – Wellsboro, PA

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Good Morning Senator Yaw, Senate President Pro Tempore Scarnati, Representative Everett and members of The Center for Rural Pennsylvania. Thank you for the opportunity to be with you today to discuss broadband availability, accessibility and affordability for rural Pennsylvania.

I am Eric Bridges, Executive Director of the North Central PA Regional Planning and Development Commission. North Central is one of seven Local Development Districts collaborating with talented partners to build better lives, better communities, and thriving businesses in rural Pennsylvania.

In many ways, broadband of today bears similarity to the railroads of the 1800s and rural electrification during the 1930s. In the case of the railroads, a tremendous investment of time and materials was required to develop what at the time was cutting edge infrastructure with the eventual value of that investment derived not from the infrastructure itself but from the economic ecosystem that grew and evolved around it. The impact of the railroad became defined not by connecting distant points on a map but by creating opportunity where none existed by enabling existing enterprise to grow and by influencing how rural communities viewed themselves in the broader economic landscape.

In much the same way that railroads opened commerce among rural America and expanded the focus of municipal economies to the sale of products and services regionally and nationally, so too did rural electrification. By the mid-1920s most cities in America received electricity from either privately owned or municipal utility

companies. Running wires into rural areas where very few people resided was uneconomical. The electrical divide that resulted fueled the difference in standards of living between urban and rural and limited rural America's ability to participate in an emerging modern economy. The big rural electrification push of the 1930s and 40s produced unprecedented efficiencies in work and vastly increased the quality of life of rural Americans.

As was the case with railroads in the 19<sup>th</sup> century and electrification in the 20<sup>th</sup> century, today, technology has emerged as the critical determinant in how businesses operate, how institutions provide services, and where consumers choose to live, work, and play. The success of a community has become dependent on how broadly and deeply they adopt technology, which includes access to reliable, high-speed broadband. As noted in the National Broadband Plan (NBP), "broadband is a foundation for economic growth, job creation, global competitiveness, and a better life."

Despite the growing dependence on and desire for technology, the United States Census reports that 27% of Americans do not have a high-speed connection at home. Studies also indicate that 19.1 million children do not have broadband at home, and 6.1 million of those children live in low-income households. Additionally, these studies estimate that at least 1.5 million businesses (20%) in the United States do not use broadband technology today.

Why does broadband matter? Recent research suggests a profound relationship between the overall well-being of a community and the digital divide in that community. Communities with robust access, adoption, and use are generally doing better. Between 2001 and 2010, income grew faster and unemployment grew slower in rural counties with home internet adoption rates higher than 60%. During the same period, rural counties with home internet adoption rates lower than 40% lost more businesses and more jobs than counties with higher rates of adoption. Employees who do not telework in any capacity tend to have incomes that are 75% of that of their teleworking neighbors. Rural counties with at least two broadband technologies available have experienced significant in-migration compared to rural counties without broadband. One study found that 50% of K-12 students surveyed said they couldn't complete the homework due to the lack of an internet connection. Telemedicine applications are estimated to add \$522,000 to rural economies, reduce hospitalizations of nursing home

patients, and general significant savings for Medicare. Two-thirds of new jobs created between 2010 and 2016 required medium to high digital skills, and 1.1 billion jobs globally are automatable today. Small businesses with faster internet connections tend to have a higher proportion of employees with advanced technology skills compared to those with slower speeds.

In this environment, deploying broadband infrastructure, services, and applications, as well as supporting the universal adoption and meaningful use of broadband, are challenging but required to advance twenty-first century technologically empowered communities. From healthcare, agriculture, public safety, and tourism, to government, education, libraries, talent, and economic activity, every sector of a community requires the power of broadband and related applications to function at the highest capacity.

One thing is clear, broadband and related technologies have transformed nearly every facet of society. While many of these technology changes can be discussed on a global scale, rural community broadband advancements cannot and will not occur without creative community leadership and action.