

## 2020 Legislative Priority

### Issue:

Continue Expansion of Rural Broadband

### Background:

Broadband to the last mile has been an Indiana Farm Bureau priority for several years. The General Assembly has made several updates to Indiana law, which has positioned our state for widespread broadband deployment in rural areas and small towns.

A 2018 study by Alison Grant, Wally Tyner and Larry DeBoer of Purdue University, *Estimation of the Net Benefits of Indiana Statewide Adoption of Rural Broadband*<sup>1</sup>, show significant overall return on the investment in broadband but insufficient revenue for the service provider. This is because of the high cost of upfront infrastructure and the limited return for the service provider, even though societal benefits are quite high. The study was commissioned by the Indiana Electric Cooperatives, Tipmont REMC and CoBank. It included conservative calculations of benefits through telemedicine, education, business investment and economic development, consumer savings and farm income changes.

Gov. Eric Holcomb has committed \$100 million for broadband development as a grant for unserved and underserved communities across the state. The focus of Indiana Farm Bureau this legislative session is to ensure that the grant program established is sufficient in meeting the needs of rural Indiana at speeds that match the new Federal Communications Commission's (FCC) definition for sufficient broadband, with minimum speeds of 25 Mbps download and 3 Mbps upload.

### Talking Points:

- Broadband has been proven to increase economic development. It benefits agricultural operations and small businesses in rural areas the most as it helps them keep up with current technology.
  - Explain your personal need for broadband access and the technology requirements on your farm and in your home.
- The study by Purdue University shows a 4:1 societal return on the investment of funds into broadband in rural communities and small towns around the state.
- The same study shows that if an REMC would invest in fiber in its territory, it will not receive a positive return on investment (approximately \$.50 on every dollar invested), even if a majority of homes and businesses buy the service.
  - Share your willingness to help get broadband expansion in your community if the state will help support the upfront investment in the infrastructure.

### Key Message/Ask

- Ask the legislator to support the investment of state dollars in rural and small-town Indiana.
  - Note that the \$100 million funded grant will be a significant improvement, but additional investment in infrastructure may be needed in the future.
- Urge them to support a change in matching Indiana's standard for broadband to the FCC standard, and to not allow undue restrictions that limit the successful expansion of broadband.



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<sup>1</sup> <https://www.pcrd.purdue.edu/files/media/006-RPINsights-Indiana-Broadband-Study.pdf>