

FCC announces \$1.2B rural broadband fund for 32 states

Article

The news: The **Federal Communications Commission (FCC)** announced it's funding as much as **\$1.2 billion** through the **Rural Digital Opportunity Fund** to expand broadband access in 32 states.

What this means: The funding is independent of the **[\\$1.2 trillion infrastructure bill](#)** passed last year. That bill budgeted **\$65 billion** for investing in access to reliable, high-speed broadband

access and is the largest funding round so far, [per](#) The Verge.

- Twenty-three providers will bring broadband service to over 1 million locations.
- The **Rural Broadband Accountability Plan**, will ensure compliance and monitor the rollout of programs like the Rural Digital Opportunity Fund.
- “Today’s announcement means more connectivity is coming to consumers, while we continue our commitment to make sure that funding goes to areas that truly need it,” said **FCC Chairwoman Jessica Rosenworcel**.
- With funding comes responsibility. The FCC awarded **\$9.2 billion** in 2020 under the Rural Digital Opportunity Fund, of which, **\$886 million** went to **SpaceX**. It later found that the satellite internet company was [not providing enough coverage](#) to rural areas.

The bigger picture: The pandemic has only amplified the gaps in broadband connectivity affecting rural communities and millions of users required to work and attend school remotely, adding urgency to the funding of broadband initiatives.

Improved countrywide access can also result in an economic upshot. The national high-speed internet initiatives providing universal, reliable internet may add **\$160 billion per year to the US economy**, [according to](#) a study conducted by the Aspen Economic Strategy Group (AESG).

- Around **18.5 million** US households **lack** broadband access because of its cost. Those making under \$30,000 per year **shoulder** most of the burden.
- The Verge **released** an interactive US map last year based on an anonymized Microsoft dataset, illustrating US counties where less than 15% of households use the internet at broadband speeds (25 Mbs). Many of these counties were clustered in **rural** areas.

What’s the catch? Expediency is key. Releasing the funds and actively monitoring the deployment of broadband infrastructure is long overdue for areas that need it the most. However, general component shortages, specifically [fiber shortages](#), could further delay wider broadband adoption.

Income Inequality Drives the Digital Divide

% of US adults with broadband subscriptions



Source: Pew, 2021

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