

**National Association of State Legislators Broadband Panel  
Boston, Massachusetts  
August 5, 2007**

**Thomas C. Dorr  
Under Secretary for Rural Development**

**Thank you, Senator Smidt, for that very kind introduction. It is a distinct pleasure to be with you today.**

**We are here to discuss the deployment of rural broadband. This is a big job, and it's essential. Broadband, along with renewable energy, is one of the primary drivers of the rural economy today.**

**Next week I'm going to be participating in the second annual Rural Opportunity Tour. This is an event sponsored by the Farm Foundation in cooperation with USDA Rural Development.**

**We will fill a bus with a cross section of leaders from business, local government, and the nonprofit sector and hit the road, visiting non-traditional rural development success stories. It's modeled, frankly, on the international trade missions that USDA began organizing back in the 1960's. The idea is to broaden horizons and help people make new**

**connections – understand what is and can be done. Success breeds success.**

**The first tour, last year, was a three-day, three-state swing through the tri-state area of South Dakota, Minnesota, and Iowa. Next week we'll be visiting Tennessee, Mississippi, and Arkansas.**

**I know that we all of us acknowledge the importance of building out rural broadband. What sometimes varies, however, is the sense of urgency that people bring to the task. Let me say simply that if anyone needs an infusion of urgency, join us next week on the bus – we'll charter more if we need too.**

**Consider, for example, a small, precision metal fabrication plant in a small town in Iowa ... a plant that takes online detailed specs from anywhere in the world online, feeds it all into the computer, cuts by laser, and overnights the parts for next day delivery.**

**That kind of business couldn't have been done anywhere in the world 15 years ago. Ten years ago it might have been done in a handful of major**

**cities. Now it can be done in the middle of the cornfields or cotton fields, IF you have broadband.**

**Or stand in Memphis, as I did a couple of months ago, at the University of Tennessee Medical Center, as we linked to doctors' offices and clinics in Louisiana, Minnesota, Colorado, and Virginia to bring expert consultation and state of the art diagnostics to rural locations.**

**Or look at the renewable energy revolution ... the ethanol plants and wind turbines ... and pause to realize that broadband is essential to the buildout of distributed energy production and distribution.**

**Broadband is a game changer. I believe Rural America is entering an era of extraordinary opportunities. Many of these are dependent on broadband, and communities that remain unserved or underserved will – to put it bluntly – be effectively redlined. That is simply not acceptable.**

**The deployment of rural broadband was assigned to USDA Rural Development in the 2002 Farm Bill. We've been at it about four years.**

**In that time:**

- **We've approved 73 broadband projects in 40 States totaling over \$1.2 billion. This is the basic Broadband Program, the main show.**
- **In addition, the Community Connect program has provided 129 grants for more than \$57 million to create public access facilities in communities that lack any other broadband service.**
- **In addition, since 2001 the Distance Learning and Telemedicine Program has invested over \$250 million in more than 6,000 rural educational and health care facilities for modern telecom services.**
- **And last but not least, our traditional infrastructure program requires all facilities to be broadband capable. Since 2001, we've made another 320 loans for more than \$4 billion in this area.**

**All of this is a start but – as we all know -- it's not enough. This is still an evolving technology. We've been climbing a learning curve. We're not satisfied with where we are, and we've learned a few things. We've therefore proposed new regulations for the broadband program. These have three objectives:**

- **To simplify and streamline the program administratively;**

- **To better target federal dollars to unserved and underserved areas;**
- **And to provide new credit incentives for applicants proposing to extend service to unserved and underserved areas.**

**As many of you know, the comment period on the new regulations closed three weeks ago. We are now reviewing the comments and hope to submit a final rule to OMB in the near future.**

**You will understand that I can't get ahead of this process. We received 35 sets of comments from interested parties, some of them perhaps represented here today. We are giving these every consideration. We are also working with the Congress to ensure that the broadband provisions of this year's Farm Bill are constructive.**

**These aren't easy questions. We understand that there are serious issues involved related to incumbent providers and lending into competition.**

**But we also know that rural America ought not to be left stranded, with broadband service stopping at the edge of town. In far too many places,**

**that's still the case, and that has to change. This is as essential as were, in their day, rural electrification and telephone service. So bottom line: We invite incumbent providers, large and small, to work with us to extend service into rural areas. We invite new entrants to get into the game as well. Bottom line, we don't care who provides the service as long as it gets provided, sooner rather than later.**

**If we have a bias on this -- and we do -- it is simply on behalf of whoever is ready to step up to the plate and invest in rural America.**

**We also invite state and local governments to partner with us to assess areas of need ... to help leverage the Community Connect and DLT programs ... and to work with both incumbent providers and new entrants alike to get the job done**

**The job WILL get done ... but every day that it waits, opportunity passes by. That's why this is urgent.**

**If anyone here doubts that the clock is ticking, come with me tomorrow night to Memphis ... and hop on that bus with us tomorrow. This is important. We ARE going to get it done. Thank you.**