



Arkansas Broadband Advisory Council

Initial Report
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RECOMMENDATION:

Act 604 of 2007 created the Arkansas Broadband Advisory Council to advise the Governor and the Legislature on policy related to high-speed Internet service, also called “broadband”.⁽¹⁾ This is the Council’s first policy report. **This brief initial report is submitted to highlight the urgent need for Arkansas to identify funding to begin phase 1 of the Connect Arkansas broadband plan to maintain the momentum initiated by the Governor and the Legislature with the enactment of Act 604.** The funding necessary to move forward with the Arkansas effort amounts to just 1/3 to 1/2 of the \$750,000 required to complete phase 1 of the Connect Arkansas plan. **Such an investment by the State holds the potential of bringing a much larger investment in Arkansas by private industry.** During the first two years private industry invested \$500,000,000 in a similar effort in Kentucky.

MAIN REPORT:

I - The Economic Impact of Broadband in the United States

Broadband now constitutes the **digital highways** of the world, including substantial U.S. traffic. According to the U.S. Census Bureau, U.S. electronic commerce sales for the 3rd quarter of 2007 totaled more than \$34 billion. This concluded a 4-quarter period where total U.S. electronic commerce sales were more than \$130 billion.⁽²⁾ Business, education, health, and government services all travel these digital highways.

II - First Broadband Priority for Arkansas

To fully participate in the electronic commerce of the U.S. and the world, Arkansas needs statewide broadband access and statewide broadband training for its people. Our children need broadband access to have technology equity with the rest of the world. A child with dial-up Internet service or no Internet service cannot effectively participate. Because of this, **the first priority** of the Arkansas broadband effort should be **statewide accessibility to broadband**. The key to efficiently bringing statewide broadband accessibility to Arkansas is accurate, detailed data regarding existing broadband. While some data currently exists, most experts agree there is a critical need for more accurate information. Because of this the state’s attempt to improve broadband access to its citizenry must begin with a reliable analysis of what is currently in place. As Congress embarks on its own efforts to

accomplish as much, Arkansas now has an opportunity to move ahead of others via a comprehensive survey of broadband deployment within its borders. The organization put forth by Act 604 to accomplish this is the Connect Arkansas non-profit organization. **It is therefore urgent that funding be found for Connect Arkansas to begin the broadband mapping effort for our state.**

III - Second Broadband Priority for Arkansas

The second priority of Arkansas broadband must be to address the **broadband standing of Arkansas in the U.S. and in the world.** According to the 2007 State New Economy Index Arkansas is 47th among the states in broadband telecommunications.⁽³⁾ This is based on multiple factors, but after accessibility speed is the most important broadband consideration in participating in the global economy. Sufficient data is an issue here as it is with broadband accessibility, but there seems to be little or no disagreement that the U.S. is far behind Japan and some other countries in terms of broadband speed. One report ranking Japan as #1 in the world with a median download speed of 61 megabits per second rates the U.S. as 16th in the world with a median download speed of 1.97 megabits per second, and Arkansas as 42nd among the states with a median download speed of 1.33 megabits per second. The Arkansas portion of that report is based on 495 speed tests performed around the state.⁽⁴⁾

IV - The Risks of Delay

The first states to have a prepared citizenry and statewide broadband will enjoy the benefits of broadband as a differentiator for new commerce and employment. Delay in Arkansas will contribute to continued loss of students to other states, loss of industry to other states, failure to keep pace with other states and nations in existing business and industry, and delayed or lost investment in Arkansas. One example is delay in private investment in the statewide broadband effort itself.

V - The Importance of Broadband to our Students

By enacting Act 604 Governor Beebe and the Legislature positioned Arkansas to initiate an effort to prepare to leverage broadband statewide. The vehicle for this is the non-profit Connect Arkansas Corporation. However, to capitalize on that positioning Arkansas must find funding to initiate phase 1 of the Connect Arkansas plan. This is essential because for Arkansas to reach its full potential it needs statewide broadband access and statewide broadband training for its people. In this year's State of the State Address, Governor Beebe said "in today's world, just learning to type on the keyboard won't suffice. Our kids deserve broadband infrastructure that connects them to the Internet and provides technology equity."⁽⁵⁾ Students with high-speed Internet in their homes have a huge educational advantage over students who only have it at school. Information on the Internet is more current, more complete, and can be accessed more quickly than information from any other source. Students obtain information from online dictionaries, online research papers, online literature, online music (written and audio), and other online services. For some students, though, these services are only available at school. Students who only have broadband at school may have at best a few hours a week to

use Internet educational offerings. Students with broadband at home can have as many Internet hours each night. A child with dial-up Internet or no Internet cannot effectively participate in the use of Internet services.

VI - The Threat of Widening Economic Gaps between Different Regions of the State

From an economic standpoint, a failure to implement statewide broadband for Arkansas will result in the risk of a widening economic gap between the rural and urban regions of our state. As already stated, broadband is essential to obtaining and sharing the latest in educational information, to procuring and marketing goods in the global economy, to providing the best and fastest medical support to all, including the aging baby boom generation, and to providing the most modern and effective electronic government services. Since these endeavors roughly equate to economic and social advancement, an absence of affordable broadband in the rural areas of a state will result in a widening of the economic gap between such areas and more affluent urban areas where broadband is a common part of the services offered.

VII - Connect Arkansas and the Need for Funding

Connect Arkansas was created by Act 604 to manage a well-organized and determined effort to facilitate the preparation of the people and organizations of Arkansas to obtain maximum benefit from broadband, and to facilitate the deployment of broadband throughout the state. Connect Arkansas has studied efforts in other states, has prepared non-disclosure agreements for distribution to broadband providers, and is now identifying the appropriate staff to collect broadband coverage information from service providers and produce detailed maps showing where broadband service does and does not exist in Arkansas. However, a substantial portion of the funding necessary to ensure the success of the first phase of the Connect Arkansas effort needs to be in place prior to beginning the effort. It is estimated that one-third to one-half of the entire \$750 thousand needed for the first phase will be necessary to effectively initiate the mapping effort. Without this funding Connect Arkansas cannot be expected to succeed, Arkansas cannot expect technology equity for its children, and Arkansas cannot expect to effectively compete in the global economy.

NOTES:

- (1) Arkansas Act 604, 2007, page 3, 4-112-104.(a)(2).
- (2) Quarterly Retail E-Commerce Sales web page, 3Q 2007, Table 1, U.S. Census Bureau.
- (3) The 2007 State New Economy Index, 2007, page 15, Broadband Telecommunications column, The Ewing Marion Kauffman Foundation of Kansas City. [Note: This report includes the following statement: "In all cases, the report relies on the most recently published statistics available, but the data may in some cases be several years old due to the delays in publishing federal statistics."]
- (4) Speed Matters, A Report on Internet Speeds in All 50 States, 2007, Communications Workers of America.
- (5) Arkansas State of the State Address, 2007, Governor Mike Beebe.