

# Barack Obama pledges billions for rural broadband

President Barack Obama has pledged £2 billion in loans and grants to fund the expansion of America's broadband network to help better serve rural areas and urban communities.

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The details of the spending plan were announced last week by Joe Biden, the vice president, and will see an initial \$183 million invested in broadband projects in 17 states.

The funding is also expected to create "tens of thousands of jobs". However, Mr Biden's chief economist Jared Bernstein could not say precisely how many jobs will emerge, according to a Reuters' report.



Barack Obama has pledged billions to extend America's rural broadband access Photo: AFP

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The report also said that White House officials were aiming to better connect the needy communities to the "Internet Backbone" of America – defined as "a network of large, high-bandwidth fibre optic cables that span the country".

This is with the intention of improving healthcare facilities, education and enabling more people to have the option to work from home.

So far, \$121.6 million has been pledged to build and improve broadband connections in communities lack sufficient access. A further \$51.4 million has been committed to better connect homes, hospitals and schools. The expansion of general access to broadband in public places, such as libraries, will be funded by \$7.3 million and \$2.4 million will be used to create projects which promote the benefits of broadband to people who have under-used technology.

According to the Federal Communications Commission, nearly two thirds of Americans have broadband access at home, while one third have access but have not adopted it and four per cent say they have no access where they live.

In the UK, the government's recent Digital Britain report has committed to rolling out next generation broadband to every home in the UK – with a minimum 2Mbps speed.

Stephen Timms, Minister for Digital Britain, has committed the Labour government to introducing a new 50p a month tax on fixed phone lines to fund the roll-out – which is most urgent in the rural parts of the UK. He estimates that the tax will generate £1 billion by 2017, thus ensuring 90 per cent of the UK had next generation broadband. The tax is set to be included in next year's Finance Bill.

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