

Minnesota

Cooperatives and Local Governments Can Solve Rural Digital Divide

1 out of 4 Minnesotans lives in a rural area. Of those rural households, 43% lack basic broadband access. The FCC defines basic broadband as a connection speed of at least 25 Mbps download and 3 Mbps upload.

Rural demand for high-speed, reliable Internet access is growing as families, businesses, and farms rely on technology to participate in the modern economy.

Fiber-to-the-Home (FTTH) is the technology Minnesota residents and businesses ultimately need to thrive in the 21st century. Fiber can scale in capacity to support the high speeds necessary for telemedicine, digital learning, and economic development. Fiber is the long-term goal, but fixed wireless can help in the short-term to extend coverage in hard-to-reach rural areas.

Cooperatives and local governments are building the infrastructure of the future. Big cable and telephone companies are barely investing in fiber networks in Greater Minnesota.

Quick Facts

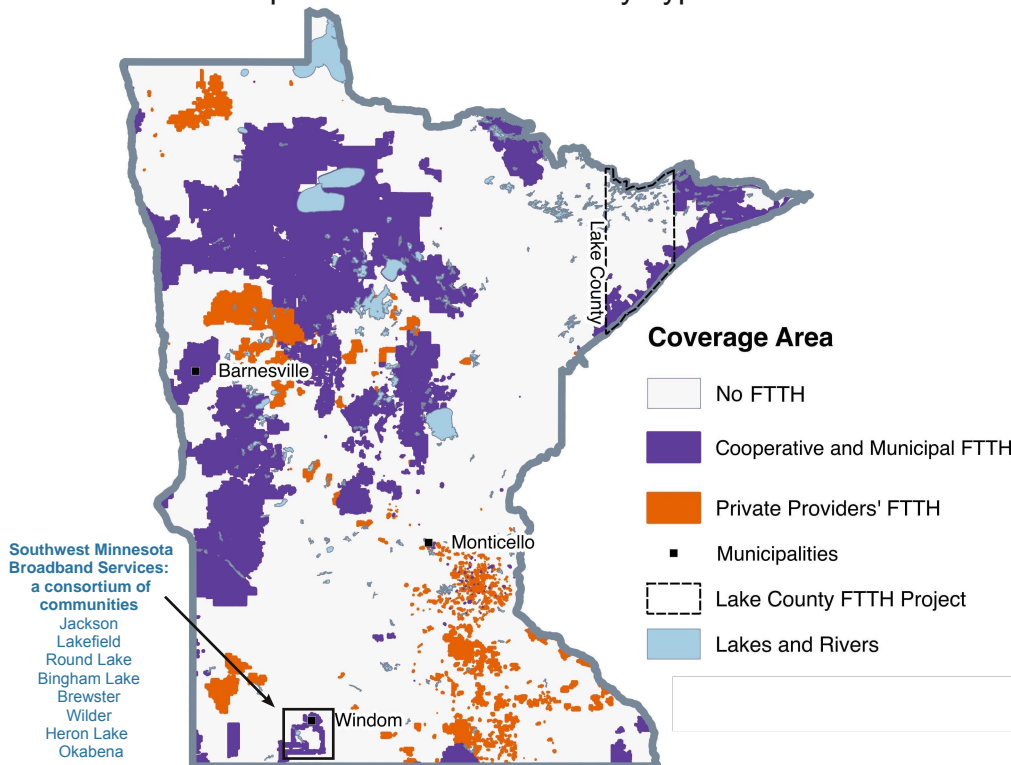
640,000 people (12% of the population) in Minnesota do not have access to basic broadband.

About 90% of those without basic broadband access (580,000 people) live in rural areas.

\$900 million to \$3.2 billion
That's how much the Governor's Task Force on Broadband estimates Minnesota still needs in investment.

Co-ops & Local Governments Provide Next-Generation Connectivity

Map 1: Fiber-to-the-Home by Type of Provider



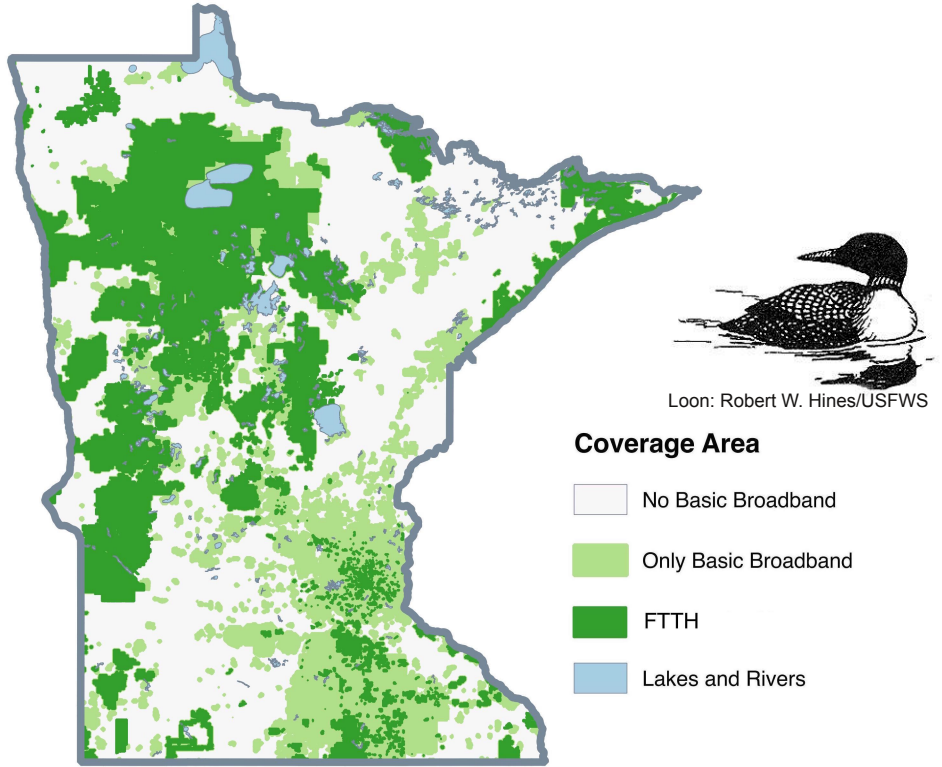
Based on FCC Form 477 Data from December 2014 - December 2015. Mercator Projection. Built in QGIS.

Cooperatives with FTTH

- Ace Telephone Association
 - Albany Mutual Telephone Association
 - Alliance Communications Cooperative
 - Arrowhead Electric Cooperative
 - Benton Cooperative Telephone Company
 - Consolidated Telephone Company*
 - Emily Cooperative Telephone Company
 - Farmer's Mutual Telephone Company
 - Federated Telephone Cooperative*
 - Garden Valley Telephone Company
 - Gardenville Cooperative Telephone Association
 - Halstad Telephone Company*
 - Interstate Telecommunications Cooperative*
 - Lismore Cooperative Telephone Company
 - Otter Tail Telcom*
 - Park Region Mutual Telephone Company
 - Paul Bunyan Rural Telephone Cooperative*
 - Polar Communications Mutual Aid Corporation
 - Red River Rural Telephone Association
 - RS Fiber*
 - Runestone Telephone Association*
 - Spring Grove Cooperative Telephone Company
 - Upsala Cooperative Telephone Company
 - West Central Telephone Association*
 - Winnebago Cooperative Telecom Association
- *Received a Minnesota Broadband Grant

Since 2014, the Minnesota Department of Employment and Economic Development Border-to-Border Broadband Development Grant Program has awarded about **\$30 million to 31 projects**. Minnesota still needs more investment for ubiquitous next-generation connectivity -- **\$900 million to \$3.2 billion more**.

Map 2: FTTH and Basic Broadband Availability



Based on FCC Form 477 Data from December 2014 - December 2015. Mercator Projection. Built in QGIS.

Related Reports

[Minnesota's Broadband Grant Program: Getting the Rules Right \(ILSR 2016\)](#)

[RS Fiber: Fertile Fields for New Rural Internet Cooperative \(ILSR 2016\)](#)

[All Hands-On-Deck: Minnesota Local Government Models for Expanding Fiber Internet Access \(ILSR 2014\)](#)

[Minnesota Governor's Task Force on Broadband 2015 Annual Report \(2016\)](#)

To increase high-speed connectivity, Minnesota communities need more investment from cooperatives and local governments.

Some Minnesota laws discourage local governments from investing in next-generation infrastructure.

Minnesota Statute § 237.19 (from the year 1915) requires that a municipality receive a majority vote of at least 65% in order to "operate a telephone exchange." Referendums are often one-sided affairs where incumbents outspend community network advocates anywhere from 10:1 to 60:1.

Minnesota Statute § 429.021 Section 19 only allows a municipality to build Internet access infrastructure if those services are not available and will not soon become available and the service will not compete with private services.

These two laws strongly discourage local investment in next-generation networks, even where the private sector is not investing, because their vague definitions open local governments to lawsuits.

Rural areas need FTTH for...

<i>Local Economies</i>	Small businesses with cloud computing and offsite backup Farmers managing crop information
<i>Education</i>	K-12 students' digital learning initiatives College distance learning
<i>Healthcare</i>	Telemedicine for rural patients at home Online health insurance marketplaces