Research

# Broadband Subsidies Totaled $8.2 Billion Last Year

**WILL RINEHART, EVAN PRETZLAFF | JUNE 1, 2017**

About 13 percent of Americans aren't connected to the Internet. Various government programs have been implemented to close the gap between users and non-users. Closing the digital divide will confer the benefits of Internet access to those without it. While thin on details, the Trump Administration's new budget proposes new support for broadband technologies as part of a larger infrastructure package. But, how much does the federal government currently spend on broadband and related technologies?

According to our tally, the federal government dedicated $8.2 billion in fiscal year 2016 to support broadband and related technology efforts through loans, grants, planning support, and digital literacy. Below is a table of those programs, organized by agency.

| Name of Program | 2015 Total Funding | 2016 Total Funding | Source |
|---|---|---|---|
| Appalachian Regional Commission | | | |
| Telecommunications and technology grants | $22,300,000 | $11,700,000 | link, link |
| Department of Agriculture | | | |
| Rural Broadband Access Loan and Loan Guarantee Program | $24,100,000 | $20,600,000 | link |
| Community Connect Broadband Grants Program | $10,372,000 | $10,372,000 | link |
| Telecommunications Infrastructure Loan Program | $690,000,000 | $690,000,000 | link |

| | | | |
|---|---|---|---|
| Distance Learning and Telemedicine Loans and Grants Program | $22,000,000 | $22,000,000 | link |
| Department of Education | | | |
| Educational Technology, Media, and Materials | $28,000,000 | $30,000,000 | link |
| Department of Health & Human Services | | | |
| Telehealth Network Grants | $15,000,000 | $17,000,000 | link |
| Federal Communications Commission | | | |
| Connect America Fund (formally known as High-Cost Support) | $4,500,000,000 | $4,560,000,000 | link |
| Schools and Libraries (E-Rate) | $2,090,000,000 | $2,390,000,000 | link |
| Rural Health Care | $276,550,000 | $298,080,000 | link |
| Institute of Museum and Library Services | | | |
| Library Services and Technology Act Grants to States | $154,848,000 | $155,789,000 | link |
| Total | $7,833,170,000 | $8,205,541,000 | |

A range of other federal programs support these advanced technologies, like the Choice Neighborhood Implementation Grants from the Department of Housing and Urban Development. Yet, these programs aren't included in this tally because they are not specifically dedicated to singular use.

Clearly, the Federal Communications Commission (FCC) is the largest of these program, supporting broadband development at $7.2 billion. As Senator Thune suggested, if a broadband infrastructure plan does pass Congress then the FCC should be in charge. However, before new monies are pumped into the FCC, the agency needs to put into place better assessment models and guidelines, as both AAF and the Government Accountability Office have recommended. Already the agency does a lot to support broadband. What is needed now is guidance and goals to be achieved.