

## FOR IMMEDIATE RELEASE

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### **ANALYSIS BY *BRATTLE GROUP* PRINCIPAL COLEMAN BAZELON DEMONSTRATES THAT WIRELESS BROADBAND ACCESS IN RURAL U.S. HAS SIGNIFICANT COST ADVANTAGES OVER WIRED ACCESS**

**Washington, DC, March 25, 2010.** A study authored by *Brattle Group* principal Coleman Bazelon and sponsored by Qualcomm shows that wireless broadband access has significant cost advantages over wired access in reaching homes in rural areas, making it an attractive and efficient option for meeting the broadband needs of rural America.

Current U.S. policy promotes nationwide broadband deployment and adoption, with an emphasis on meeting the needs of unserved and underserved communities. To assist policy-makers in evaluating different approaches to serve the most rural counties in the U.S., the study examined the relative costs of providing wireless and wireline infrastructure to the least populated areas of the country – those covering about six percent of the population and half of the landmass of the U.S.

The key difference between providing broadband services to urban versus rural areas is the significantly different population density of customers, which directly impacts the fixed costs of providing wireline and wireless network service. The report's analysis focused on the per household costs of the fixed part of the distribution network, or the cost of running distribution wires (typically along telephone and utility poles) for a wireline network and the cost of towers, radios, and antennas for a wireless network.

Applying a cost per mile of \$12,500 for a cable distribution network and taking into account road and housing density in rural areas, the analysis found that the average cost per household for wireline broadband infrastructure is an estimated \$2,426. Wireless networks cover the areas around cell sites. Taking account of the capital and spectrum costs of covering rural areas, the analysis found that the average cost per household for wireless broadband infrastructure is an estimated \$300.

By comparing the costs and coverage of wireline versus wireless broadband, the study found that providing broadband access for significant portions of the U.S. would be less expensive if access were provided by wireless rather than wireline infrastructure, with savings ranging from up to \$1,000 per household in a few select counties to more than \$7,500 per household for much of the Great Plains and Intermountain West. In total, the area analyzed in this study covered about 1.7 million square miles, or more than 56 percent of the U.S. land mass (excluding Alaska), and almost 18 million people, more than one-third of the population of non-metro counties and almost six percent of the total U.S. population. The study found a wireless cost advantage in all counties examined.

“Even using conservative estimates for the analysis, the findings of this study clearly show the economic superiority of wireless for serving rural America,” notes Dr. Bazelon. “As the Federal Communications Commission implements its National Broadband Plan, including the recommendation to create a Mobility Fund in the universal service program to provide funding to cover the costs of extending wireless coverage in rural areas, and the federal government prepares to spend billions of dollars on rural broadband infrastructure, wireless broadband infrastructure should play a central role,” he concluded.

The study, “The Benefits of Wireless Broadband For Rural Deployments,” is available for download at [www.brattle.com](http://www.brattle.com).

*The Brattle Group* provides consulting services and expert testimony in economics and finance to corporations, law firms, and public agencies worldwide. Areas of expertise include antitrust and competition, valuation and damages, utility regulatory policy and ratemaking, and regulation and planning in network industries. For more information, please visit [www.brattle.com](http://www.brattle.com).

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