

A Better Way to Spend \$42.5 Billion



\$42.5 billion. That's the federal government's budget for connecting rural communities to high-speed internet. To date, exactly zero homes have been connected. The reason seems to be the Biden administration's insistence on using fiber optic cable for the connections. Apparently someone looked at the cost of fiber: \$5,000 per mile minimum. \$42.5 million buys, at most, 85 million miles of installed cable. Sounds like a lot, right? Ignoring the fact that there are many millions of miles of roads in the U.S., how long will it take? Let me propose a better way to spend \$42.5 billion. Bonus: the entire project could be completed in weeks.



The key is Starlink, the SpaceX subsidiary that uses satellites to connect the far corners of the world. You can buy a Starlink terminal directly from the company for \$299. If you're in a hurry, Walmart sells a top of the line terminal for \$540. The monthly fee is \$120, about what we spend for our home fiber connection. No fiber, no wires, just electronic waves. At \$540, \$42.5 billion would buy about 78 million stations. Buy direct from Starlink and you get 142 million. Either of those would

probably solve the problem. (Current U.S. population is about 330 million folks.)



So why doesn't the government simply start distributing Starlink terminals? The company is owned by Elon Musk. Oh.

Click here for the usual Excel workbook.