

National Association of Regional Councils

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The Economic Development Administration (EDA), the International Economic Development Council (IEDC) and the National Association of Regional Councils (NARC) have established an information dissemination partnership. One element of this partnership is the broadcast of a series of economic development telecasts called Economic Development Today. These telecasts are intended to provide information to economic development practitioners who serve all communities throughout the United States.



Economic Development Administration

Economic Development Today

Communities in Transition



On Tuesday, April 26th, 2005, the National Association of Regional Councils (NARC), in collaboration with the Economic Development Administration, conducted a telecast on “Communities in Transition”. The telecast focused on the deployment of new technologies in order to increase efficiency and stimulate growth and development throughout the entire United States. The telecast focused on three segments. The first segment showcased new avenues of economic recovery for *Communities in the midst of change*. The City of Austin, Texas was showcased as a fully successful high-tech, information, and entrepreneurial economy. The second segment discussed possibilities for communities becoming *wired for the 21st Century*. Specifically, how broadband communications can be used effectively throughout the country. This section of the telecast focused on Spokane, Washington; Southside Virginia; and, initiatives from the National Telecommunications and Information Administration. The third segment focused on *Communities in the midst of Base Realignment and Closure (BRAC)* and how these base closures can turn into successful commercial and residential areas.



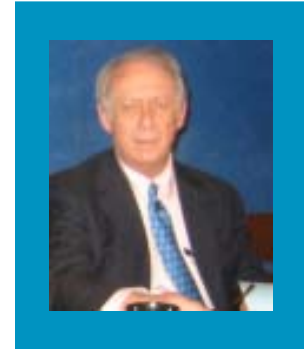
Mr. Sandy Baruah, Chief of Staff, Economic Development Administration opened the telecast. Baruah set the tone for the rest of the telecast by stating that America is in a transition from a “commodity based economy to a knowledge driven economy.” He continued by saying that, “innovation, the fuel for this journey, is scarce in far too many of our regions”, therefore we need to deploy information as efficiently as possible to make sure these depleted areas do not fall behind.”

Economic Development policy has been and continues to be aligned through the state and local government processes. Baruah suggests that we need to go beyond the confines of these political bureaucracies and focus on regional growth and development. By focusing on a larger pool of resources and commodities communities can economically benefit. It is important that communities align and

seek out their regional competitive advantage, because all communities have different assets and strengths that include physical, scientific, and intellectual infrastructures, market opportunities and strategies for exploiting those market opportunities.

Although the Economic Development Administration continues to promote the private sector as the driving force for economic growth, the public sector also plays a role in economic development. This is done through effective governing by key leaders, accommodating the growth of a new emerging innovation, and re-ordering the priorities of economic development strategies.

Mr. Pike Powers discussed how Austin, Texas, has become one of the great economic development success stories in America's history. Mr. Powers, a founding attorney of Fulbright and Jaworski's Austin office, has played an integral role in developing the Austin, Texas regional technology economy for the past 26 years and has helped to advance the region's high tech, information and entrepreneurial economy.



Powers stressed that the most important component for economic growth and success is to develop a strong collaborative model that includes strategic planning. For example, thirty years ago, when Austin was developing their plan, they decided to create an environmentally sensitive area in order to intentionally develop a high quality of life. Consequently they have prevented high pollution causing companies from coming to the region. This has made it more attractive for additional technology companies to settle in and around Austin. It is important to note that environmental standards served as a driving force for economic growth in the City of Austin, Texas.

Powers stated that strategies and plans need to be fluid. As a result of fluctuating growth in Austin in the 1980's, the city commissioned the Stanford Research Institute to take an inventory of their situation and provide suggestions for change. Powers remarked that within a collaborative model you have to be willing to take chances in order for success to follow.



Mr. Michael Gallagher, Assistant Secretary, National Telecommunications and Information Administration (NTIA), Department of Commerce, discussed broadband communications and how they have helped communities around the country. Gallagher explained NTIA has four missions: (1) to develop telecommunication policy and advise the President on these policies; (2) to represent the Executive branch in domestic and international telecom policy activities; (3) to co-manage the radio frequency spectrum with the Federal Communications Commission; and, to operate a telecommunications lab in Boulder, Colorado that works on cutting edge technologies of the future.

Gallagher stated that broadband telecommunications are integral for the present and future success of the American economy. These telecommunication investments equal \$784 billion dollars of the \$11 trillion dollar economy. Broadband technologies are so vital to our economy because they enable efficient access to so many things such as education, healthcare innovation, music, and video through a number of different mediums.

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The President established a national goal for all Americans to have access to affordable broadband communications by 2007. In support of the goal, the Administration has enacted economic incentives, such as an extension of the Internet tax moratorium, and created a regulatory environment to encourage broadband investment. Gallagher reinforced the President's view that the key is not for the government to create wealth rather it is the government's job to create the environment for innovation and entrepreneurship.

Gallagher remarked that broadband communications are important for productivity and efficiency, enjoyment of everyday life, and for the future of our nation. It is important for productivity because we now have a way to get information faster to different places throughout the world. This gives businesses the opportunity to advertise and sell their products to a broader market. This technology is important because it bridges information gaps, provides faster communications world-wide and overall increases the quality of life for people through better access to essentials like health care and other living amenities, such as entertainment. As mentioned before, these communication capabilities can stimulate the economy and help America stay on top.

Wireless Technologies Helping Growth:

- Wi-Fi (IEEE 802.11), readily available chips that are put in laptops giving users wireless access.
- Wi Max (IEEE 802.16), designed to provide wireless broadband access in a Metropolitan Area Network.
- Wireless Mesh Networks, flexible network structures linking nodes on an ad hoc basis.
- Broadband Over Power Lines, potential, "third wire" competitor to cable and DSL broadband services.

Gallagher also discussed several of the grant and loan programs available for broadband development through the Department of Agriculture's Rural Utilities Service (RUS). First, the Broadband Loan Program awards technology neutral loans to communities up to 20,000 in population. A total of \$2.1 billion is available for the Broadband Loan Program during Fiscal Year 2005. Next, the Community Connect Grant Program is a nationally competitive grant program to provide broadband service on a "community-oriented connectivity" basis to the most rural and economically challenged communities. The Community Connect program has \$8.9 million available for grants for Fiscal Year 2005 and the application deadline is Tuesday, May 31, 2005. Finally, the Distance Learning and Telemedicine Program is designed to encourage and improve educational and health care services in rural areas through the use of telecommunications, computer networks and related advanced technologies. The application deadline has passed for Fiscal Year 2005, but the RUS website will provide updates for 2006 application dates. To learn the specifics of each technology, please visit: <http://www.ntia.doc.gov/>



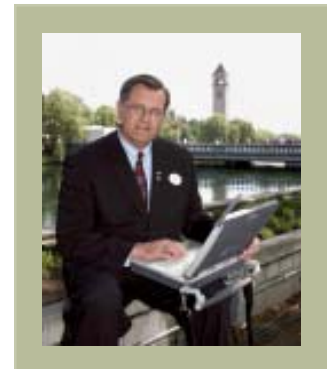
President Bush and Michael Gallagher meet to discuss broadband capabilities.

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Gallagher concluded that the importance of broadband technologies is not the technology itself; it is the multitude of diverse information that is transmitted that makes it important. These technologies will be able to drive demand and the future of the American economy.

Mayor James E. West focused on how the City of Spokane, Washington, has transitioned from a resource-based economy to a technology-based economy. Prior to being sworn-in as mayor, West served in the Washington State Legislature for over 20 years.

West described the importance of Spokane to the Inland Northwest region. He stated that as the largest city between Seattle and Minneapolis, it serves as the economic hub for the region that serves over 1 million consumers. Originally, Spokane served as a railroad hub for mining, farming, and timber resources. Since then, the area has had to adapt and shift away from a resource-driven economy. To do so, the City of Spokane undertook initiatives to incorporate numerous broadband technologies into their local economy to propel itself into the future. Mayor West remarked that for years the government had developed canals, then railroads, then the interstate highway system, currently there is another shift and broadband communications has become the “new transportation of the future.”



The City of Spokane has created an environment strong in education and innovation. They have linked over 100 businesses together in an effort they call Terabyte Triangle that is located in downtown Spokane. This wireless connection effort has enabled faster communications amongst local businesses. They have deployed broadband communication to school classrooms throughout the city so that children have access to world-learning resources. They have also created a hot zone that enables wireless access within

certain city boundaries. The hot zone was created to: (1) enable public health and safety professional to access information wherever they are, and (2) allow the use of these technologies from anywhere and at their convenience. Spokane has recently focused on a new Gigapop technology using the University of Washington in Seattle. By bringing together connections from Seattle to Spokane and Spokane down to Boise, Idaho, they are able to create a network that will not only compete nationally but throughout the world.

Tad Deriso, General Manager, Mid-Atlantic Broadband Cooperative (MBC) spoke about how his non-profit cooperative is in the process of building an open-access fiber optic infrastructure in Southside, Virginia that will cover 20 counties with over 700 miles of cable. Deriso explained that if each strand of fiber was to be taken out and laid down in a straight line it would circle the globe three times. This extensive network will be put in place to augment the area's competitive advantage, including much needed job growth. Over the last 20 years, a total of 50,000 jobs have left Southside, VA and these have not been replaced or retained, both essential to growing the regional economy.

MBC has been tasked with building a proper telecommunications infrastructure, providing leadership, as well as connecting this technology to other economic development projects in the area. The cooperative's objective is to bring competitive wholesale broadband communications to rural Virginia, educate communities about how this technology can be used to drive development, and coordinate with local and state agencies to bring innovation strategies to Southside, Virginia.

This project was largely funded by the Virginia Tobacco Commission which gave \$21 million dollars as well as the Economic Development Administration which provided a \$6 million dollar grant, one of the largest EDA grants in the agency's history. Deriso stated that in order to get these funds, it was important for MBC to focus on regional economic development and the benefits that would be passed on to hundreds of thousands of individuals. A key element of their success was to follow the steps outlined in annual competitive economic development strategies developed by the regional planning organizations.



Michael A. Houlemard, Jr. is Executive Officer of the Fort Ord Reuse Authority in Monterey, California. Mr. Houlemard also represented the NAID/ADC a leading organization supporting communities that are transitioning from military activities to civilian residential and commercial areas. NAID is a membership organization over 1000 strong that has been committed to implementing successful change of former military facilities for over 30 years.

Houlemard spoke specifically about the Base Realignment And Closure (BRAC) process. Throughout its rich history, the United States has built military installations throughout the country. Over time, the Department of Defense (DoD) has had to minimize or close military bases through the BRAC process. Prior to 2005, DoD effected four rounds of BRAC closures that took place in 1988, 1991, 1993, and 1995. Consistently, NAID has worked with DoD to make these transitions as smooth as possible for communities. Within that time frame, as many as 60 major installations were significantly downsized and their surrounding communities were impacted greatly.

Houlemard is specifically responsible for the BRAC redevelopment project at Fort Ord, a facility that covers 45 square miles and is a 28,000-acre property. The Fort Ord Reuse Authority has focused their redevelopment of this former infantry troop training base into a residential area centered on education. The transition process has not been easy due to overlapping jurisdictions, environmental issues and the need to update and build new technology capacity.

Houlemard stated that in order to overcome challenges in the BRAC process, it is imperative for the community to come and work together on a strong plan. A plan is designed to help transition the area from the military base dependency to a different kind of infrastructure. Effective management of the transition process is critical so that people can accept the inevitable and move beyond the closure process to the future.

