



Posted on Mon, Mar. 08, 2010

Broadband Internet service narrows the gap between urban and rural areas

By SCOTT CANON
The Kansas City Star

BUHLER, Kan. | Not long ago, Gregory Inc. felt in danger of being too remote, too rural, for the digital age.

The graphics printing firm's Internet connection cost too much and pumped data too slowly, threatening the company's ability to get a design for a truck-sized decal on Monday afternoon and promise delivery on Tuesday morning.

In stepped local Internet provider IdeaTek with a fiber-optic line. Suddenly Gregory rocketed from a barely adequate cyber connection to a speed-of-light pipeline.

"It allows us to operate as if we're just down the street from you no matter where you are," said Gary Wolfer, the company's director of technical services.

Such is the power of bringing high-speed Internet to rural America — a difference that can dramatically level the playing field between city and countryside, that can deliver specialized medicine to places that can't recruit medical specialists, that can open university instruction to people who can't come to a campus.

The Obama administration so values broadband that it's spending \$7.2 billion in economic stimulus funds to wire rural America. The move casts a virtual lifeline to the country's most remote residents, even as it poses a question of how far government must go to help rural areas keep pace. Or whether government even needs to.

Consider what got Buhler, near Hutchinson, wired. It was not government subsidies.

It was the market.

"It's just a business case," said Daniel Friesen, the president of IdeaTek. His firm offers everyone in town a package that gives them phone service, 120 TV channels and Internet speeds that would leave a Road Runner in the dust for \$100 a month. "We can do it without a subsidy in these concentrations of people — but you need those concentrations."

His firm has been swallowing customers from the local cable television company by running fiber-optic lines directly to customers. The result: a vastly widened data pipe to local schools, businesses, retirement communities and homes.

But only in town. Go even a mile away from Buhler, and residents must use their long-subsidized country telephone lines to get the beep-whirr-buzz and snail speed of dial-up Internet that city folk largely abandoned in the 1990s. To run broadband to a single customer a few miles outside a population center might easily cost \$5,000.

The Federal Communications Commission estimates that 96 percent of Americans at least have the option to subscribe to broadband Internet service.

Getting broadband to the final 4 percent could prove wildly expensive — the FCC is floating a proposal to spend an additional \$9 billion on top of the \$7.2 billion in stimulus money — and pivotal to whether rural America jets ahead in the mainstream of commerce and culture or becomes a left-behind backwater. The FCC has estimated that it may ultimately cost \$300 billion to put the entire country on Internet warp speed.

Here's the promise of rural broadband:

- Businesses like Gregory can casually download multigigabyte files instantly or teleconference with multiple locations, keeping them plugged into a world that increasingly takes bandwidth for granted.
- Physicians from around the country can look at X-rays or sonograms or perform virtual examinations on high-definition monitors with remote clinics.

- The blooming panorama of online entertainment puts pop culture within clicking distance — and means people can capitalize on the low cost of rural life and still chat knowledgeable about who should win an Oscar.

Analysts see a clear pattern across the country. Cities and suburbs are thoroughly wired for what Americans have come to consider broadband — transfer rates of 1.5 megabits a second for businesses and cable modem or DSL service in homes. (Google is about to underwrite a faster connection for a handful of cities with nearly 100 times that bandwidth — or what the folks in Buhler and Tokyo have today.)

Even in smaller cities and towns across the plains, it's hard to find a collection of 100 or more homes where a cable or telephone company isn't selling broadband comparable to what's available to residential customers in New York, San Francisco or Kansas City.

But on ranches, farmsteads or simply country homes, Internet access is usually beyond reach.

That's simply the cost of isolation, say some.

Jim Harper, the director of information policy studies at the libertarian Cato Institute, sees two profound problems with the billions spent to speed up rural Internet. First, the money amounts to yet another government subsidy that shifts money from city to country. Second, he believes government subsidies actually discourage private innovation.

"There's no God-given right to broadband at a certain speed," he said. "Living in a rural area has a cost, just like living in an urban area has a cost."

Mostly, he thinks businesses would come up with more inspired ways to wire the country's plains and valleys if they didn't feel in competition with subsidized services.

Still, as Joe Monaco of the Kansas Commerce Department put it: "The federal government is offering the money. We're going to go after it to put our state in a stronger position."

In January, Rural Telephone Service Co. in Lenora, Kan., landed \$101 million in grants and loans from the federal stimulus programs to deliver broadband to roughly 23,000 homes in the west-central portion of the state. At that cost of more than \$4,300 to link up each customer, about four in five homes will have Internet at speeds up to 20 megabits per second. That's a connection far faster than those typically available to even the most cosmopolitan corners of urban America. The remaining customers would see downloads from over-the-air WiMax systems of 1.5 megabits per second — or comparable to a Road Runner cable plan.

"Without this stimulus, the most remote areas would not have any broadband," said Rural Telephone CEO Larry Sevier.

At Wired International, Gary Selnow has seen places as varied as eastern Africa, the Balkans and Iraq transformed by stopgap Internet installations. His organization focuses on the medical benefits of linking doctors in remote areas but has also seen broadband deliver cultural connections and new opportunities for business.

"These people are going to be left farther and farther behind. I don't know how anybody in the rural areas can keep up if they don't have broadband Internet," Selnow said. "Is it worth \$7 billion? Boy, I don't know."

To reach Scott Canon, call 816-234-4754 or send e-mail to scanon@kcstar.com.

© 2010 Kansas City Star and wire service sources. All Rights Reserved. <http://www.kansascity.com>