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The Year 2010 Is Coming Fast; Fast Internet Is Another Story

By Sarwar A. Kashmeri

For the Valley News

The best high-speed Internet connections -- known as broadband -- require cable or fiber-optic infrastructure. These services are provided by telephone or cable companies. Installing wires is expensive, so these companies are reluctant to provide the services in rural areas where population densities prevent a quick return on investment.

Wireless broadband becomes the only other practical option in rural areas. But the small companies that dominate the wireless market find it hard to get startup financing, and most businesses seem to prefer the more robust and faster wired broadband.

As the American economy transitions to knowledge-based services, communities that do not have high-speed Internet will not attract new businesses. "In the 1980s, it was all about connecting water and sewer to business parks in order to drive economic development in communities," Julia Griffin, Hanover's town manager, told me. "Now businesses want access to broadband, and if it doesn't exist they will walk," she said.

Which is why the successful passage of New Hampshire House Bill 653, and a soon-to-be-released report on alternative broadband financing options that was commissioned by a consortium of eight New Hampshire towns, may mark a turning point for broadband propagation in the Upper Valley and beyond. "Until the passage of this bill, New Hampshire did not permit towns to use proceeds from municipal bonds to finance broadband infrastructure," Griffin said.

Getting the bill through the legislature wasn't easy. "Verizon and the cable companies opposed it vigorously," she said. In rural parts of New Hampshire, where the private sector wants to retain some form of monopoly control on broadband but is not yet ready to roll out the service, "they did not want us nipping at their heels." Hanover and other Upper Valley town are under intense pressure from individuals and businesses to provide broadband services, and local government lobbying got the bill passed, to Griffin's relief.

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Griffin has been in municipal management for 22 years and knows that rural broadband coverage will require creative financing solutions, which will then have to be tailored to individual towns. Under Hanover's leadership, seven other New Hampshire towns -- Lyme, Orford, Sunapee, New London, Newbury, Enfield and Springfield -- set up a consortium and retained a company specializing in rural broadband to propose alternatives that could be used for the financing of high-speed Internet in the towns.

“We realize that, ultimately, a hybrid strategy might make the most sense for us,” Griffin said. “What works in one of the consortium's towns may not work in another, and we are working on a funding strategy that has three elements to it: federal grants and loans, private funding and municipal funding.”

Speaking for Hanover, Griffin said, “I just want to get the fiber in the ground or on the poles where it makes sense, and turn it over to the businesses who will provide their services on that roadway. We don't want to own or operate any of it.”

How about the towns on the Vermont side of the river? Will they be invited to participate?

“Absolutely, yes,” Griffin said. “Dartmouth spends substantial amounts of money yearly to set up and maintain multiple modem banks to provide dial-up Internet connections for its staff and faculty, who live all over this region. The school would like nothing better than to see those Vermont communities connected via fiber or wireless to Dartmouth.”

The consortium has already had numerous conversations with towns in Vermont, including Norwich, Thetford, Fairlee, and Strafford.

Because the two state's laws are different, the preliminary report (which is scheduled to be completed this week) initially will be reviewed by the New Hampshire members of the consortium. “As soon as we have some potential models, we will be glad to sit down with our brethren across the river and get their opinion,” Griffin said.

Don't Vermont and New Hampshire have ambitious plans to deliver broadband to 100 percent of their populations by 2010? “I chuckle when I hear that,” Griffin said. “We are now halfway through 2006, and I am not seeing much progress. We may have talked the problem to death by 2010, but I am not sure we will have much infrastructure to show for it.”

From my conversations with Gov. Jim Douglas of Vermont and Gov. John Lynch of New Hampshire, I know how serious they are about providing broadband services throughout their states. Both reacted favorably when I suggested that they nominate someone from one of their departments to work on regional issues -- civil servants who would provide continuity beyond changes in governors.

“I'd give my eye teeth for somebody who is both conversant in the technology issues,

can keep us abreast about federal regulations, and is empowered to make things happen,” Griffin said.

It seems to me, with the release of the consortium report this week and the growing demand from both sides of the river for universal broadband coverage, it is time for the two governors to step up to the plate, help guide the consortium's report to execution and then transfer applicable solutions from it across both their states.

2010 is around the corner, gentlemen!

Sarwar A. Kashmeri of Reading, Vt., advises corporations on communications and marketing strategy and is a fellow of the Foreign Policy Association. This twice-monthly column explores the Upper Valley's “business climate,” focusing on the issues and conditions affecting the region's economic health. Kashmeri can be reached at skashmeri@aol.com.

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